

SHOULD THE COLONY MAINTAIN ITS RESERVES OR SPEND THEM?

Conflicting Views Of The Unofficials

Sir Henry Pollock Attacks Government Procedure As "Unconstitutional"

Strict Economy The Watchword For Year

The debate on the Budget which took place yesterday lasted for about two hours.

Sir Henry Pollock, Senior Unofficial Member of the Council, urged that on no account must taxation be increased, but that Government officials' salaries should bear the whole burden on the Colony's financial difficulties. He described as "unconstitutional" the action of the Government in consulting the Secretary of State as to methods of meeting a deficit—before the local Finance Committee's views had been obtained.

Sir William Shenton deprecated further of surplus balances and referred in some detail to the uncertainties of the silver situation and the fall in values in the local share market. He urged the Government to make a ten—or at least a five—per cent cut in the Colony's total expenditure.

Reduction in the assessment tax, the Hon. Mr. Kotewall argued, would make for the improvement of business in Hong Kong. He also stressed the importance of closer relationships between Hong Kong and Canton.

The Hon. Mr. J. P. Braga's main suggestion was that more Government officers should be local men. He brought up several suggestions, including the question of pig breeding in the New Territories, but one of his proposals—that more bus shelters should be erected in Kowloon—brought forth the reply from the Government that the question was more the Bus Company's affair.

In the absence of the Hon. Mr. W. H. Bell, the Hon. Mr. J. J. Paterson spoke on behalf of the Hong Kong General Chamber of Commerce, and said that reduction in charges upon shipping and in the postal rates would meet with general satisfaction.

The Colonial Secretary quoted trade statistics in support of a contention that Sir William Shenton's speech was unduly pessimistic; he assured Mr. Braga that it is intended to substitute local for European labour as opportunity occurs, though the process must be gradual. Finally he renewed the assurances already given that the Government's watchword is "economy" throughout the working year.

The Acting Officer Administering the Government, His Excellency Mr. N. L. Smith, expressed thanks to the unofficial members "for their careful and generally kindly criticism of the Budget for 1936 as regards both details and the larger principles."

However His Excellency was constrained to add—

"I am very sorry to think that Sir Henry Pollock, whose long service on this Council and intimate knowledge of procedure give very great weight to any considered judgment which he may express here, should apply the term 'unconstitutional' to any action on that part of the Government leading up to the speech which I delivered three weeks ago in introducing the Budget." Mr. Smith then explained in detail the action the Government had taken, as to "fixing exchange," H. E. said:

The subject is not an easy one to discuss in open debate but I would only say that the proposal was given the earnest consideration of the Government before it was decided that such a course, to which there are certain objections at any time, would be particularly undesirable at the present moment.

The meeting was presided over by His Excellency, the Officer Administering the Government, the Hon. Mr. N. L. Smith and there were also present:—

His Excellency the General Officer Commanding the Troops (Lt. General O. C. Borrett, C.B., C.M.G., C.B.E., D.S.O.)

The Attorney General (Hon. Mr. C. G. Alabaster, K.C., O.B.E.)

The Colonial Secretary (Hon. Mr. R. A. D. Forrest)

The Secretary for Chinese Affairs (Hon. Mr. E. H. Williams)

The Colonial Treasurer (Hon. Mr. Edwin Taylor)

Director of Public Works (Hon. Mr. R. M. Henderson)

Hon. Dr. W. B. A. Moore (Acting Director of Medical and Sanitary Services)

Hon. Commander G. F. Hole, R. N. (Retired) (Harbour Master)

Hon. Mr. M. J. Breen (Postmaster General)

Hon. Sir Henry Pollock, Kt. K. C.

Hon. Sir William Shenton

Hon. Dr. R. H. Kotewall, C.M.G., LL.D.

Hon. Mr. J. P. Braga, O.B.E.

Hon. Mr. J. J. Paterson

Hon. Mr. T. N. Chan

Mr. A. W. G. H. Grantham (Deputy Clerk of Councils)

After the Hon. Mr. R. A. D. Forrest, the Colonial Secretary had been sworn in, the Hon. Mr. C. G. Alabaster, the Attorney General, moved the first reading of the following two bills which were seconded by the Hon. Colonial Secretary:

"A Bill to amend the Defence Contribution Ordinance, 1931."

"A Bill to provide for the Prevention of Cruelty to Animals."

The Hon. Mr. R. A. D. Forrest then moved the second Reading of—

"A Bill to apply a sum not exceeding \$23,840,416 to the Public Service of the year 1936." This was seconded by the Hon. Mr. Edwin Taylor.

THE SENIOR MEMBER

Hon. Sir Henry Pollock

The Hon. Sir Henry Pollock, the senior unofficial member said:—

Your Excellency,

As the Senior Unofficial Member I have been asked by my colleagues to express our joint views upon the Budget for 1936.

At the outset we congratulate the Colonial Secretary and Mr. Grantham (whose impending departure from the Colony we very much regret) upon the able and clear statement which has been laid before us regarding the Budget.

We also thank the Colonial Treasurer for his lucid and informative Memorandum on our financial position, and the Director of Public Works for his notes on Public Works Extraordinary for 1936 and also for the information which he and his Staff kindly gave us in Public Works Committee.

The Estimates contain little contentious matter, and it is fully realised that, in view of the estimated revenue for 1936 being so much lower than that for 1935, it is essential that the Government should refrain from starting expenditure on new Public Works of magnitude.

At the same time we regret that many useful Public Works, over 100 in number, in the list marked "considered but not included in the draft estimates" (with which the Government kindly supplied us) have had to be postponed owing to present financial stress.

It is satisfactory to note that, for the time being, no new taxation is being imposed, and we are glad to see that the Government is reducing the charges for excess water.

It is also satisfactory that, notwithstanding the need for drastic

economy, the Queen Mary Hospital is being vigorously proceeded with, whilst the 75-foot road from Causeway Bay to Ming Yuen (now known as King's Road), the Central British School and the new Kowloon Magistracy will be completed next year.

RETRENCHMENT

Regarding retrenchment of Staffs, we are glad to learn that the Government is carefully considering whether it is absolutely necessary to fill up Posts as vacancies occur. Our Staff of Civil Servants is a very large one, even after making the fullest allowance for the fact that the Government has also to perform the duties of a Municipality. Indeed it is considered by some that we have too many Regulations in this Colony and too large a staff of Subordinate Officers fussing about and worrying people regarding the meticulous observance of the Regulations.

Also the prevalent notion that Police Officers and Sanitary Inspectors acquire merit by prosecuting people is apt to render the Government unpopular and to make the main in the street consider that we could do with fewer of such Officers.

We approve of the additional Police defences which are being erected on the frontier and of the extra Police engaged for that purpose. The growing population of the New Territories justifies better Police protection against raids by bandits.

We agree to the new Posts in the Treasury and to the proposed Aviation Meteorological Officers for the Government Observatory, and, on the ground of economy, we agree to the proposed engagement locally of ten Asiatic Sanitary Inspectors, to replace sterling-paid Officers.

We approve of the two new Postal kiosks and of the improved postal deliveries in outside parts of the Colony, and also of the short-wave telephone transmitter which was recommended by the Economic Commission.

Under Public Works Department, we agree that in these times of depression, it is advisable to retain as many employees as possible on a temporary basis.

In regard to Government House and City Development, we consider that the Government is wise to call a halt for the time being, to a scheme of this expensive nature which originated in more prosperous times.

ANTI-MALARIAL WORK

With reference to the Shing Mun Dam, we note with pleasure the highly satisfactory progress which has been made, enabling some water to be impounded from the first of last month. We congratulate Mr. Gifford Hull and his Staff upon being so well forward with this important scheme.

Shing Mun reminds us of the excellent anti-malarial work which has been done by Dr. R. B. Jackson and his Staff not only in that neighbourhood, but also in the Peak District which is now more free from mosquitoes than it has been for many years past. Also much good anti-malarial work has been and is being done in Kowloon, Stanley, Shek O and elsewhere.

A full report by Dr. Jackson on anti-malarial measures during 1934 appears on pages 118 to 153 of the Report of the Acting Director of Medical and Sanitary Services for 1934, and induces us to urge that, if possible, more money should be devoted to anti-malarial work than is at present included in the Estimates for 1936.

We trust that the forthcoming cemetery extension at Hammer Hill will, in the course of the next ten years, enable the Central Cemetery at Kowloon to be released for building and other development purposes—a very necessary step forward in the town-planning of Kowloon.

The Unofficial Members now proceed to deal with one part of the Colonial Secretary's Budget speech, to which they take the strongest exception.

The passage in question reads as follows:—

"In spite of all this, however, the Government would be falling in its duty if it did not contemplate in advance the steps that will have to be taken in 1936 if there should either be a sharp drop in the dollar rate or a serious decline in revenue or possibly both. As I have said, no additional taxation has been imposed in the existing circumstances; but it is as well that a warning should now be given that this may be necessary if the state of the public finances in 1936 should show some serious deterioration. It is also desirable that a warning should be given that a temporary levy on all Government salaries, both dollars and sterling, may be necessary before the end of 1936 in the circumstances referred to, and that the Secretary of State has already given his sanction to action on these lines. It is unnecessary at the moment to go into details of proposals which will only be required in the event of a contingency which we hope will not arise."

STRONG OBJECTIONS

Whilst the Unofficial Members cordially echo the hope expressed by the Colonial Secretary that such a contingency will not arise, and that our Budget for 1936 will not become unbalanced, we strongly object to any additional taxation being imposed to meet any such deficit in our finances, if it should unfortunately occur.

Our contention is that any such deficit ought to be made good exclusively by cuts in the salaries of Civil Servants.

In support of this contention of ours, we beg leave to remind the Government of certain facts, which preceded the considerable increase in salaries which came into force on the 1st January, 1931.

These facts are:—

(1) That the Unofficial Members, in June 1930, very strongly opposed such increases of salaries, and that it was then pointed out by Mr. John Owen Hughes, the then Senior European Unofficial Member (see Hansard for 1930, at p. 107), that, at the exchange of 1s. 10d. result in this Colony having to pay two million dollars extra for the increases in sterling and dollar salaries.

(2) That the direct consequences were (see Hansard for 1930 at pages 176 and 177) that the Government were compelled, in order to balance their Budget for 1931, to impose the following additional taxation, namely:—

(1) An amusement Tax, to produce 3 lakhs of dollars.

(2) Increases in light dues and in fees for Government Buoys, and in other items of revenue affecting shipping, estimated to bring in \$364,000.

(3) The increase of the General Assessment Rate by 4% from 13 to 17%, to bring in about one million four hundred thousand dollars.

Those additional taxes, imposed to meet those increases of salaries, are still with us, and in times of depression like the present, they are even less popular than when they were first imposed.

Accordingly the Unofficial Members contend that the taxpayers of this Colony are already paying amply for those increases of salaries (which are still in force) and that, to make the taxpayers pay more in 1936, if a sharp drop in the dollar should unbalance the Budget, is a palpable injustice to the taxpayers of this Colony.

"UNCONSTITUTIONAL"

In such an event, as already stated, the Civil Servants ought solely to bear the burden of such a drop, to the exclusion of the taxpayers, who have already been sufficiently mulcted.

At this point somebody may ask:—

"Why do the Unofficial Members raise this protest just now 'instead of waiting for the contingency to occur'?"

Our answer to that, Sir, is that we gather from the above-quoted passage in the Colonial Secretary's speech, that the Government has already been in communication with the Secretary of State on the subject of the possible deficit, and that the Secretary of State has, already, without the Unofficial Members of the Finance Committee of this Council being consulted in any way, "sanctioned" a scheme whereby such deficit is to be met partly by additional taxation and partly by cuts in the salaries of Government Civil Servants.

That procedure of the Government we object to as being unconstitutional.

We are painfully aware of the fact that the Unofficial Members of this Council are in all matters of voting in a hopeless minority, but surely that fact makes it all the more imperative that they should at least be consulted before any definite arrangement is come to with the Secretary of State for meeting a possible deficit in the finances of the Colony by means of additional taxation.

VALUABLE PRIVILEGES

Perhaps we may be told that we Unofficials shall be consulted, if the emergency in question should arise, but what a farce any such consultation must be, in view of the passage in the above-quoted speech of the Colonial Secretary, in which he says:—

"The Secretary of State has already given his sanction to action on these lines" i.e. on the lines of partly meeting such a deficit by additional taxation.

In further support of our contention, that, in the event of such a deficit unfortunately arising, the taxpayers should not share the burden with the Civil Servants, we would point out that:—

(1) Civil Servants possess the following very valuable privileges, namely, pensions, passages for themselves and family, housing or rent allowance, privileged rates for medical attendance, continuity of employment, safety of employment and protection against arbitrary dismissal.

(2) That, as the result of the present depression, very drastic cuts have already been made in the salaries of their employees, by many business houses in this Colony, and

(3) That, in many British Colonies, in order to meet bad times, cuts in salaries or in allowances have already been made and are still in force.

RESOLUTE COURAGE

To pass on—We have no doubt that the residents of this Colony will continue to face up to the present difficult situation with resolute courage, but we must strongly deprecate their being saddled with additional taxation.

We are convinced, that a low exchange would much benefit our local industries, and would also, by causing an influx of capital for investment, tend to relieve the present abnormal stagnation in business conditions. Incidentally, too, a low dollar would improve our tourist traffic.

In conclusion we would add that we place great reliance upon that close co-operation between all sections of this Community which has been of such marked assistance to Hong Kong's progress in the past.

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SIR WM. SHENTON

Unable To Share View

The Hon. Sir William Shenton said:—

Sir,—On a careful consideration of the Estimates, I am unable to take, in a measure, the same view of this Colony's financial position as my colleagues.

In the preparation of a Colonial Budget the following principles are, I think, fundamental:—

(1) The Budget must be balanced.

(2) Where actual balancing is impracticable no effort must be neglected to reduce the annual deficit.

(3) In framing estimates of revenue and expenditure regard should be had not only to the conditions of the moment but also to the general probabilities over a cycle of years.

(4) While every effort should be made by Government to assist the recovery of trade it would not be proper to assume that recovery will be sufficiently rapid to justify regarding the present emergency as one of a purely temporary nature which can legitimately be tide over by the use of surplus balances.

(5) Estimates should be drawn up on the assumption that the present conditions are likely to prevail for some time to come.

GRAVELY PERTURBED

I accept these principles as immutable as the laws of the Medes and Persians and I am gravely perturbed at the prospect of an estimated deficit of \$330,000, after taking from our surplus balances the sum of \$2,095,769, thereby in one year reducing our surplus balances to the minimum figure permitted by the Secretary of State; particularly as it follows the year 1935 in which we have already an estimated deficit of \$152,968, and the year 1934 which had an actual deficit of \$1,574,870.

This dipping, year after year, into our surplus balances must stop, or we shall inevitably find ourselves in a most difficult position.

In 1934 we budgeted at 1/3 and were fortunate in getting an average rate of 1/6 1/2, whilst in 1935 we budgeted at 1/4 and were lucky to experience an average rate of 2/0 3/16. Notwithstanding these favourable rates, substantial deficits followed. To-day we are budgeting at 1/8 and who will venture to foretell the future?

The exchange factor is always a problem in budgeting—to-day it is more than a problem; it is a menace.

The economic position which this Colony faces to-day is not only peculiar but, I believe, novel in its history. The difficulties are not the known factors, for these can be met by counter measures, but it is the nebulous uncertainty, the sword of Damocles that hangs suspended which may or may not fall, probably it will, but when no one can tell.

In the past we have always had a sound currency basis to work on for the purpose of budgeting as there has existed a solid and natural value of silver. To-day no one can predict what to-morrow will bring forth.

For years past the currency policy of this Colony has been to keep the value of our dollar in line with that of China. To-day the margin is such that trading becomes almost impossible. The currency of China at the moment is, I believe, no longer on silver but is a managed currency and who knows what the next move will be?

The value of silver has, we are told, been artificially enhanced by the policy of the United States of America and that a continuance of this policy will provide them with most of the available stocks of this metal. Who will venture to prophesy how long this policy will be maintained?

I should like to draw attention to an extract from the City Notes of the London "Times" of the 15th August last which states as follows:—

"Monetary disturbances were caused in the East when America was busy forcing up the price of silver, and now a great disturbance is being caused by a reversal of that policy. Hong Kong is faced with an awkward problem: for yesterday her exchange fell one penny to 1/11½ being the rate below export point. Ordinarily the Hong Kong authorities by modest operations in silver would have been able to correct this position, but with one large buyer exercising ab-

solute predominance over the silver market it is impossible for the authorities to resort to the usual adjusting operations."

I believe the above position has arisen on more than one occasion when a flight of currency from this Colony might have taken place but for the action of the Chief Manager of the Hong Kong and Shanghai Banking Corporation. The able way in which he has controlled our currency position has met with universal appreciation.

A survey of the Colony's trade figures is hardly encouraging and one knows only too well the difficult times through which all mercantile concerns are passing.

But for the favourable movements in exchange in the years 1934 and 1935 the deficits, substantial as they were, would have been considerably larger and revenue raising devices or curtailment of expenditure would have become essential.

LESS HOPEFUL VIEW

The Honourable Colonial Treasurer, in his able and lucid Memorandum, indicates under the heading "1936" the general falling off of revenue and the possibility of further shrinkage in various directions. The Honourable Colonial Secretary has also drawn our notice to the same possibility. Personally I take an even less hopeful view; in fact, I am of the opinion that there must be a further dwindling of our revenue.

The principal items of the Public Works Extraordinary which we have on hand are essential to the Colony and had already been too long delayed—chief of these are the Queen Mary Hospital, the Central British School, the Magistracy at Kowloon, the New Gaol and, most important of all, our Water Schemes. Of these the Water Schemes and the New Gaol are Loan Works but the others have to be paid for out of current revenue.

No one will deny the importance and absolute necessity of these works, nor will anyone cavil at the money judiciously spent on them, but the most scrupulous care must be taken to ensure that they are provided in a manner suitable for the purposes for which they have been provided and that this guided enthusiasm or individual sentiment is not allowed to run riot in luxury and extravagance. Care must be taken that we are not providing an Eldorado for those less fortunately circumstanced in South China, or creating a standard which will be an undue strain on our resources to maintain.

Before proceeding further I think a short survey of the local position is not out of place to enable us to get a correct perspective of business conditions as they in fact exist to-day.

The stock market is a fair barometer and I have obtained the market values of various popular shares, taking the highest prices in the year 1933 and the approximate values to-day.

In 1933 the shares of the Dairy Farm, Ice and Cold Storage Company, Limited touched 29½; to-day they stand at 12½.

In 1933 the shares of the Hong Kong Electric Company, Limited touched 78; to-day they stand at 52½.

In 1933 the shares of the Hong Kong and Kowloon Wharf and Godown Company, Limited touched 145; to-day they stand at 73.

In 1933 the shares of the Hong Kong Land Investment and Agency Company, Limited touched 80; to-day they stand at 22.

In 1933 the shares of the Hong Kong and Shanghai Hotels, Limited, touched 10.00; to-day they stand at 3.

In 1933 the shares of the Hong Kong Tramways Company, Limited touched 23½; to-day they stand at 10.65.

These shares represent a part of the life-blood of this Colony and it is on the security of their value that much business is transacted. Since the preparations of this speech there has been a slight apprehension in values, so that the figures quoted for the year should be repeated as the lowest touched this year.

LANDED PROPERTY

Perhaps our most solid asset is our landed property. Here the values cause us to think seriously. Rents on an average have fallen somewhere in the neighbourhood of 30 to 35 per cent. in the past two years and the value of property about 40 per cent. These percentages are worked out on a broad basis for the whole Colony and are intended to represent middle

(Continued on Page 5)

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Fashion PRE-VIEW

FUR FASHIONS**British Furriers' Display**

The National Fur Fashion Parade which took place in London recently, shows that the British fur manufacturers have plenty of ideas and that their craftsmanship is of a high order. The exhibits were the result of a cooperative effort on the part of a large number of leading houses who joined forces for a parade last year for the first time and this year have surpassed their previous effort in the design of their models and the quality of the furs shown.

About 35 firms took part in the parade, in which capes, long coats, three-quarter-length coats, and wraps were shown on mannequins. Capes were a strong feature of the display, and many of them were worked in new ways with greater length, greater fullness, and a broader shoulder line. Among the outstanding models was a full-length cape in Canadian mink with the fur worked in a pouched line at the back, and a natural chin-chilla double cape made seven-eighths length and beautifully worked. A coat in narrow-stranded silver foxes was a novelty, and there was also a very fine cape made with about six tiers of the same fur. White Russian ermine was used for some magnificent evening wraps, and one of the novel long capes had arm-pockets under its wrap so that it might be manipulated with ease. A black sealskin coat was shown with a Persian lamb collar, and a swaggar coat in grey lamb had an immense velvet bow in deep cyclamen velvet matching the velvet hat with which it was worn.

Some new dark brown dyes were used for tailored furs such as American broadtail and Indian lamb and also for ermine. The improvement in design in the less expensive furs was a notable feature of the parade, and some excellent models in white sheared coney were shown. A white rabbit wrap made with a graduated dip was bordered with ostrich lanceler feather, and there was a "penguin" model with the sleeves lined in black.



Penalty of Trying to be Funny
"I did not steal the duck," said the poacher. "I just carried it home for a joke." He was sentenced for carrying the joke too far.

**AUTUMN MODELS****Dress Parade**

The first of the important dress parades took place when Bradleys, Chepstow Place, showed their collection of autumn models.

The collection is unusually large this year. All the great French houses are represented in it, and there are also many magnificent furs and other models designed in Bradleys' own workrooms. Fur dominates the collection: it is freely used as a trimming for all kinds of dresses and suits and for millinery. Practically every fur coat has a fur hat to match or an antelope or felt hat trimmed with fur. Persian lamb has returned to a leading place as a fashionable fur: it is used for long and short coats, bolero coats, long capes, and stoles; and sleeves of Persian lamb are to be seen on many of the afternoon coats. Persian lamb toques and curious platelike little caps, with a round button of the fur, were shown with many of the Persian lamb coats.

A Russian sable knee-length cape was one of the most beautiful wraps in this Imperial fur, and there was a long white ermine coat with a hood bordered in Russian sable. One of the fur novelties was a long scarf of white Russian ermine with a deep flat cowl cut on the round and long scarf ends of the fur brought to the back, where they touched the ground. Another novelty was a broad scarf-stole of Persian lamb arranged with a belt and buckle so that it looked like a hollow coat. Many new models in mink were shown, one of which was three-quarter length with a new little collar. A new colour in dyed ermine is Zulu brown, and this shade was shown in both full length and three-quarter length coats. The military influence was seen on several fur coats, one of which was in Persian lamb trimmed with frogging. An attractive Persian lamb bolero with an under-belt in flame colour was worn over a dull black frock.

Unusual colours and materials were seen throughout the collection. Draperies in lames and rich silks gave interest to the evening clothes and every conceivable kind of drapery was shown, looped, flaring, or spiral. Shirting and honey-comb gaging continued to be used in placing fullness, and there was also a good deal of pleating. Celophane materials,

ROUND THE SHOPS**LANE CRAWFORD**

Look ahead and get your new coat as the Ladies Dept. are showing a lovely range of Over-coats in English Tweeds velours prices as low as \$19.75. Some fur trimmed, others in the Tailored line. There were quite a number of Polo Coats in velour for sports wear in white, brown, blues and cream. Other models in flecked and mixture tweeds are also very attractive. Most of the fur trimmed coats for more dressy occasions were of dark materials.

MAIZEE'S

Wishes to announce that they have received a special line of out-sizes in silk dresses suits and coats. Also expect by next mail new fall goods.

MAYOS

Will be showing attractive imported new hats, but we must remind our readers that this shop will also turn out any shape hat to suit you.

RIVELLE

Passing Rivelle's yesterday I noticed some very pretty dresses on display but was informed when I called in at the shop, that more new winter goods are expected.

FITTING COAT LINE

Waists, though larger than the Edwardian idea of elegance, are clearly indicated in many of the advanced models. Another Edwardian revival are fur trimmings. Coloured borders, especially of fox, are used on black cloth and velvet coats and capes. Fox sometimes forms the coat collar, narrowing at the waist, and widening out again to the hem-line. This will be a favourite line in trimming the new long fitted coats.

Part of the interest of the new models is the revival of old fashions in amusing, and often very becoming, ways. The playsten of fur on long and short coats in both cloth and velvet is reminiscent of the Edwardian period.

mostly in black, added a sombre gleam to the glitter of lames, some of which were in chené printing on poul, and others in bold designs in gold or subtle backings of metal showing through pastel-coloured silks. A magnificent full-skirted moiré lamé frock, backed in poul, belonged to the period when dresses could stand by themselves.

A "GIBSON GIRL" GOWN

A "Gibson Girl" gown in black velvet had one shoulder bare and a fascinating, dragging movement at the foot of the skirt. Pleating was used in both day and evening gowns, and there were some novel splashes of colour contrast—a magenta silk evening gown with pleated looped draperies had a sash belt of pastel-blue. The novelties in woollen materials were numerous. Monkey-fur cloth was used for a black suit with a loose three-quarter coat, with a suede belt and jet buckle and buttons. Bengal lanceler striped cloth made the sleeves of an unusual suit with the plain cloth making the coat. Ribbed materials outnumbered the plain, for suits and coats, and strange surfaces such as fringed cloths, gave a new interest to out-of-door clothes. Among the tweeds was a nubby marvel in a multi-colour effect, with red slightly predominating.

There was a great deal of green—myrtle, cypress, emerald, teal, and moss, and intermediate shades for both day and evening. Blues held their own, particularly sapphire tones in velvet and a new parma-blue with a vivid strident note. The ornaments which replace the paste jewels of other seasons were exotic—jewelled fruits, flowers that looked as if they were made of agate or alabaster, and crystal buckles are among them, and novel "staple" fastenings are on some of the coats.

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LONGER COATS**In Dark Shades**

Longer coats in dark shades are worn over bright coloured woollen house frocks, such as black over green and red, or navy over grey. Colour is used cleverly for contrast, or to add the lighter streak. Meta thread, silver or platinum sequins, are a good choice with black or any deep colour, as they provide the brighter touch, so cheerful in winter.

Black velvet evening wraps, and those with the new hoods or headresses, have metal or bright sequins introduced to take the place of a contrasting colour.

These new sombre shades in paillettes or iridescent sequins are in good style; formerly they were used too heavily and became somewhat vulgar. There will be quite a number of sequined and paillette blouses worn with the tailored suit of black, dark brown and green in wool or velvet. They are useful too as tops for the black satin skirt, or any form of practical demi-toilette.

There is much grace and dignity in the new fashions. Slimness is retained, but draperies assist in any kind of silhouette. Materials themselves are soft and pliable. These details are noticed in the tailor-made. Even the



classic suit has a less severe appearance.

Skirts for day wear are shorter, but smart afternoon dresses may touch the ankles, the only possible length for anything nearing the tube-like skirt.

Apart from practical tailored suits and sports clothes, the dressier trend is seen in the short, bagged, and in the full-skirted longer coats. Both coats and skirts cut in such ways show deep lines and the coat is fitted on close lines.

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Kowloon

TO-DAY'S RADIO
PROGRAMME

Broadcast by Z.B.W.
on 355 Metres

12.30 to 2.15 p.m.—European pro-
gramme.
12.30 p.m.—Recorded music.
1 p.m.—Local time and weather re-
port.
1.15 p.m.—Hong Kong Hotel Or-
chestra.
1.30 p.m.—Reuter Press Bulletins
Rugby Press News, etc.
2.15 p.m.—Close down.
4 to 7 p.m.—Chinese programme.
7 to 11.10 p.m.—European pro-
gramme.
7 to 7.28 p.m.—
Light Orchestral Selections
A Night in Venice—Overture (J.
Strauss).
Symphonic Rhapsody on "I
heard you singing" and "Bird
Songs at Eventide" (Eric
Coates).
Symphonic Rhapsody on "I Pitch
my Lonely Caravan."
Milestones of Melody.
Souvenir D'Ukraine (Ferraris).
Black Eyes—Russian Impression
(Ferraris).
7.28 to 7.50 p.m.—Fritz (Violin).
Dusolina Giannini (Soprano).
1. Violin Solo—Indian Lament
(Dvorak—Kreiser).
2. Songs—Mandella Mia (Neapo-
litan Folk Song) (Giannini).
O Sole Mio (Di Capua).
3. Violin Solos—Liebesleid (Love's
Sorrow) (Kreiser).
Liebesfreud (Love's Joy)
(Kreiser).
7.50 to 8 p.m.—
From the Studio
"Book Reviews" by Sabrina.
8 p.m.—Local time and weather
report; closing local stock
quotations.
8.05 to 9 p.m.—
Variety Programme
Songs—Far away in Shanty Town
("Glamorous Night").
The Girl I knew ("Glamorous
Night").—Elizabeth Welch.
Piano Duet—Strike up the Band
—Jean Wiener and Clement
Doutet.
Vocal—Rock and Roll ("Trans-
atlantic Merry-Go-Round").
The Boswell Sisters
Orchestra—An Hour with you.
Fairies in the Moon—Inter-
mezzo Entr'acte.
Mandoline Solo—Valse de Con-
cert—Maria B. Scivittaro.
Vocal—Old Fashioned Love—The
Mills Brothers.
Instrumental—Chiquita—Ferra-
ri and Paulini.
Orchestra—Rio Rita—Selection.
You're always in my arms.
Vocal Duet—Moon Glow—Layton
and Johnstone.
Piano Duet—Garufa Tango—
Jean Wiener and Clement
Doutet.
Organ Solos—Broadway thru a
Keyhole—Terence Casey.
Song—Lonesome Love-Sick Blues
—Josephine Baker.
Vocal—Sous Les Ponts—Mistin-
guet.
9 to 9.15 p.m.—A Relay of the
Davertry News Bulletin (Copy-
right by Reuter).
9.15 to 10 p.m.—
CLASSICAL PROGRAMME
Orchestral—Overture "Così fan
Tutte" (Mozart).
Concerto No. 1 in C Major, Op. 15
(Beethoven).
Song—Aufenthal (Schubert).
Alexander Klipnis (Bass).
10 p.m.—Big Ben: Reuter Press
Bulletins.
10.05 to 10.30 p.m.—Symphony No.
8 in B Minor ("Unfinished")
(Schubert).
10.30 to 11.10 p.m.—
A Relay from Daventry
Empire Mail Bag No. 3. Another
collection of listeners' letters
from all parts of the world,
compiled and presented in liv-
ing form by Cecil Madden.
11.10 p.m.—Close down.
BERLIN PROGRAMME
9 p.m.—Call DJA, DJB, DJN (Germ.
Engl.).
German Folk Song.
Programme Forecast (Germ.
Engl.).
9.15 p.m.—The "Zupfgeigenhansl"
sings. Kees Veening and
Soloists.
9.45 p.m.—News in English on DJA
and in Dutch on DJB, DJN.
10 p.m.—A Play on German Folk
Songs by Wilhelm Malar.
10.15 p.m.—Scenes from "Faust" I
by Johann Wolfgang v. Goethe
Music by Kurt Steibitz. Arranged
and directed by Dr. W. M.
Timmer.
11.15 p.m.—News in German on
DJJ, DJB, DJN Close DJB
(Germ. Engl.).
11.30 p.m.—Current Events.
11.45 p.m.—Trio in G Major for
Piano, Violin and Cello by
Rudolf Bellardi.
12.15 a.m.—News in English on DJA
and in Dutch on DJN.
12.30 a.m.—Close DJA, DJN (Germ.
Engl.).

RECORD SPEEDS

In King's Cup
Air Race

(Special Air Mail Service)

London, Sept. 10.
Mr. T. Rose, flying a Miles Falcon
Gipsy VI, entered by Viscountess
Wakefield, won the King's Cup Air
Race on Saturday, at an average
speed of 176.28 miles an hour.
It is the first time that a
machine entered by a woman has
won.
The winner's speed was the
highest at which the race has ever
been won, but the record for the
course was set up by Capt. E. W.
Percival, the "scratch" man, who
was placed sixth. Flying the Duke
of Kent's Mew Gull Gipsy VI, he
covered the 350 miles at an average
speed of 203.91 m.p.h.
The placings after the winner
were—
2. H. R. A. Edwards (R. Cornwall's
Miles Hawk) (recd. 35min. 2h.
17m. 31s. 157.84 m.p.h.).
3. O. Cathcart Jones (Major G. W.
Allen's Miles Hawk) (recd.
35min. 2h. 17m. 48s. 157.52
m.p.h.).
4. H. S. Broad (Lord Wakefield's
T.K. 2) (recd. 28min. 1sec. 2h.
10m. 51s. 165.88 m.p.h.).
5. L. Lipton and S. Harris (Miles
Falcon) (recd. 27min. 5sec. 2h.
10m. 4s. 166.3 m.p.h.).
6. E. W. Percival (H.R.H. The Duke
of Kent's Percival Mew Gull)
(scratch), 1h. 43m. 54s. 203.91
m.p.h.
Rose said he had an uneventful
race except for one moment in the
fourth lap, when half the spinner—
a metal casing in front of the pro-
peller—suddenly flew off. "I think
I must have hit a bird. It did not
do any damage, and it did not ap-
pear to affect the flight of the ma-
chine," he added.
The 20 competitors in Saturday's
race were those who led the field
in the eliminating race of nearly
1,000 miles on Friday. In the final,
competitors had to cover seven laps
of 50 miles each over the triangular
course—Hatfield, Broxbourne, Hen-
low, Hatfield.
EASY VICTORY
When "Tommy" Rose was car-
ried shoulder-high to day from his
winning aeroplane to the club ter-
race he had a hearty welcome.
None of the many popular pilots
in the race was, in the general
opinion, more deserving of success.
He is an ex-officer of the R.A.F.
and served in the war. He is on
the staff of the Phillips and Powis
Aircraft Co. of Reading, the mak-
ers of Miles Hawk and other types.
He was second in last year's King's
Cup race. The Miles Falcon is a
low-wing three-four seater mono-
plane.
The 203.91 m.p.h. attained by
Capt. E. W. Percival who, as
"scratch" man, was not flagged
away until three of the competitors
had finished two laps, and who
came in sixth, was the more re-
markable since his first lap was
at only 198 m.p.h.
Mr. Rose won with about seven
minutes to spare—a lead of some-
thing like 17 miles—so there was
nothing exciting about the finish.
Indeed, the 20 machines arrived in
rather straggling order, although
there was a final struggle for third
place. Mr. Hubert Broad nearly
getting it. Broad, the pilot of the
interesting T.K. 2, which was built
by students, did one lap at 174
m.p.h., but lost speed owing to a
choke in the petrol system early in
the race.
PERFECT CONDITIONS
Handicapping had not been up-
set by weather, for there was little
wind, and visibility was excellent;
it is, therefore, again manifest that
the handicapping of widely differ-
ent classes of aeroplanes for a race
is a failure if a close finish is the
object.
As to the closing-up of the
field, although the announcer
hailed the eventual presence of all
the competitors in one lap, the
fifth, it was a short-lived satisfac-
tion, for the two in the rear guard
were still in the sixth when the
leaders were in the seventh.
There were seven Miles machines
of various types and six Percivals,
and of the 20 machines in the
final 19 had Gipsy engines. It is a
fact worth special emphasis that
all completed the course despite
their long ordeal of the previous
day.
The Cup was presented by Sir
Philip Cunliffe-Lister, Secretary for
Air.
In addition to the King's Cup,
the winner received £500 offered
by Viscount Wakefield, and the
second and third, respectively,
£200 and £100 from the same
donor.
The Stiddle Trophy, offered to
the Light Aeroplane Club whose re-
presentative was placed highest in
the race, was won for Redhill Fly-
ing Club by Mr. C. E. Gardner on
a Percival Gull-Gipsy VI at an
average speed of 171 m.p.h.

NEW YORK STOCK EXCHANGE

(Through Reuters Agency)

QUOTATIONS

New York, October 3.

	High	Low	Close	Change
New York/London Cross-rate	4.90	4.89	4.90	off Strong
New York Cotton—Oct.	11.08	10.88	10.70	.37 up
New York Rubber—Dec.	11.93	11.81	12.00	.07 off
Chicago Wheat—Dec.	1.07	1.05	1.05	4 up
Chicago Corn—Dec.	.82	.81	.81	3 up
Montreal Silver—Dec.	86.38	86.31	86.35	.05 up
Silver—Official	—	—	.60	unchanged

Low Jones Averages High—1834/35 Low: Oct. 1. Oct. 2. Change

30 Industrials 135.05 83.58 131.51 128.08 3.41 off

20 Rails 82.98 77.11 84.18 82.61 1.55 off

20 Utilities 31.09 14.39 24.83 23.92 .91 off

40 Bonds 97.47 94.73 96.38 95.87 .49 off

11 Commodity Index 86.25 41.98 55.23 57.36 1.53 up

Business Done:—\$1,000,000 shares.

Stock & Div.	Last Sale	Oct. 1	Oct. 2
Adams Express	7 1/2	7	7
Amer. Can. (4)	141 1/2	138 1/2	138 1/2
Amer. Cyanamid "B"	23 1/2	22 1/2	22 1/2
(25dr.)	23 1/2	22 1/2	22 1/2
Am. For. Pwr.	5 1/2	5	5
Am. For. Pwr. 7 1/2 1st	31	29 1/2	29 1/2
Pf.	—	—	—
Am. Locomotive	15 1/2	15 1/2	15 1/2
Am. Radiator	15 1/2	15 1/2	15 1/2
Am. Smelting	48 1/2	48 1/2	48 1/2
Am. T. and T. (9)	138 1/2	135 1/2	135 1/2
Am. Tob. "B" (5)	104	101 1/2	101 1/2
Am. Waterworks (1)	15 1/2	14 1/2	14 1/2
Am. Waterworks 58	—	—	—
pref (8)	81 1/2	80 1/2	80 1/2
Anacosta Copper	19 1/2	19	19
Atch. T. and S. F.	46 1/2	45 1/2	45 1/2
(25dr.)	46 1/2	45 1/2	45 1/2
Auburn Automobile	38 1/2	35 1/2	35 1/2
Baltimore & Ohio	15 1/2	15 1/2	15 1/2
Bethlehem Steel	37 1/2	35 1/2	35 1/2
Boeing Airplane	12 1/2	12 1/2	12 1/2
Borden Co. (1.60)	58 1/2	54 1/2	54 1/2
Borg. Warner (ldr.)	78 1/2	77	77
Case	—	—	—
Canadian Pacific	9 1/2	8 1/2	8 1/2
Caterpillar Tract.	52 1/2	50 1/2	50 1/2
Ch. Nat. Bk. (1.40)	29 1/2	28 1/2	28 1/2
C'Peake Corp. (2.50)	45 1/2	42	42
C'Peake Corp. and	—	—	—
Ohio (2.80)	44 1/2	44	44
Chrysler (1d)	71 1/2	69 1/2	69 1/2
Col. Gas & Elec.	11 1/2	10 1/2	10 1/2
Comm. Solv. (.60)	18 1/2	17 1/2	17 1/2
Comm. Steln.	1 1/2	1 1/2	1 1/2
Comm. Steln. 58	—	—	—
cum. Pf. (6)	58 1/2	55 1/2	55 1/2
Cons. Gas. N.Y. (2)	27 1/2	26 1/2	26 1/2
Cons. Oil (25)	7 1/2	7 1/2	7 1/2
Cont. Oil (25)	19 1/2	19 1/2	19 1/2
Corn Prod (3)	61	60 1/2	60 1/2
Douglas Aircraft	304	294	294
Du Pont (2.60)	128	124 1/2	124 1/2
Elec. Bond & Share	11 1/2	10 1/2	10 1/2
Elec. Bond 58 Pf. (5)	—	—	—
Elec. Bond 58 Pf. (6)	63 1/2	62	62
Fox Film "A"	—	—	—
Gen. Elec. (50)	33 1/2	31 1/2	31 1/2
Gen. Foods (1.80)	32 1/2	32	32
Gen. Motors (1d)	46 1/2	44 1/2	44 1/2
Gen. Mtn. Sigs (1)	35	31	31

NAZIS FLOCK TO
NUREMBERG

(Special Air Mail Service)

London, Sept. 10.

All German eyes are turned to-
wards Nuremberg, where the an-
nual Nazi party congress opens to-
morrow. Many of the Nazi
leaders arrived this morning to
attend the special conferences
which have been proceeding at the
Deutsches Hof all day. Herr
Hitler is expected to reach here
late this evening.
A series of rallies to symbolise
the Nazi achievements of the
past 12 months has been planned
on the most gigantic scale and
will begin on Wednesday. It is
estimated that the conference
this year will cost the German
Government \$2,000,000. This is
almost twice as much as last
year.
Some 900,000 members of the
Nazi party, including 200,000
Storm Troopers, 30,000 S.S. pro-
tective guards, 70,000 Hitler
youths and girls, 195,000 political
leaders, and more than 300,000
soldiers and members of the
Labour Corps, as well as many
party adherents, are take part
on the congress. All of these will
have their railway fares paid by
the State, and most of them will
be provided with free board and
lodging.
Herr Julius Streicher, Nazi dis-
trict leader, has issued orders
forbidding delegates to the con-
gress to buy from Jews. As an
additional precaution the Brown
House in Nuremberg is selling
special shields to aryan shop-
keepers which they may post on
their windows.
The race, was won for Redhill Fly-
ing Club by Mr. C. E. Gardner on
a Percival Gull-Gipsy VI at an
average speed of 171 m.p.h.

OBITUARY

Lord Kirkley

(Special Air Mail Service)

London, Sept. 16.

Lord Kirkley, the 72-year-old
shipowner, died in his sleep at
his home, Kirkley Hall, Pente-
land, Northumberland, to-day.
Lord Kirkley was identified for
nearly half a century with ship-
building in the North of Eng-
land.
At the age of 25 he was as-
sociated with Mr. Thomas Cairns
in founding the Cairn Shipping
Line, a company of which he
was chairman at the time of his
death.
He was the son of Mr. John
Noble, of Newcastle.
In 1921 he received a baronetcy
and raised to the peerage in 1930
on the recommendation of the
Socialist Government.
Lord Kirkley was chairman of
the Economic Mission, which was
appointed in 1930 by the Socialist
Government to investigate trade
possibilities in South Africa.
On his return, he addressed
members of the Federation of
British Industries, pointing out
that other countries were in-
creasing their trade in South
Africa at a greater rate than
Britain. It was essential, he
said, that the fallings of manu-
facturers who did not meet the
needs of the South African mar-
ket should be remedied.
Two years later, after the
National Government had been
formed, Lord Kirkley attacked
the slogan "Buy British."
Lord Kirkley was first honorary
president of the Baltic and In-
ternational Maritime Conference
and held the position for ten
years. He was also a former
president of the Chamber of
Shipping of the United King-
dom.

LAMBERTS AUCTIONS

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Tuesday, the 1st Oct., 1935,
at 10 A.M.

Thursday, the 3rd Oct., 1935,
at 10 A.M.

Friday, the 4th Oct., 1935,
at 2.30 P.M.

At KOMOR'S ART GALLERIES
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A COLLECTION OF FINE
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CURIOS, SILK AND
USEFUL ARTICLES

ON VIEW NOW

TERMS:—CASH ON DELIVERY.

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ON

MONDAY, OCT. 7, 1935

COMMENCING AT 2.30 P.M.

At THEIR SALES ROOM,
No. 35, HANKOW ROAD,
KOWLOON

A QUANTITY OF
VALUABLE HOUSEHOLD
FURNITURE

Comprising:—

Chesterfield Suites, Bed Room and
Dining Room Furniture, Atom and
Glass Ware, Ice Chest, Clocks, Table
Lamps, Ornaments, Gramophone and
Records, Pictures, Enamel Bath,
Linen, etc., etc.

Also

A QUANTITY OF
BLACKWOOD FURNITURE
and

One Radio Set

ON VIEW FROM SATURDAY,
THE 5th OCTOBER, 1935.

TERMS:—CASH ON DELIVERY.

LAMBERT BROS.,
AUCTIONEERS.

PUBLIC AUCTION

THE Undersigned have received
Instructions

To Sell By

PUBLIC AUCTION

ON

TUESDAY, OCT. 8, 1935

COMMENCING AT 2.30 P.M.

At THEIR SALES ROOM,
DUDELL STREET.

An Assortment of Fine Cut Glass
Superior Cutlery
Silver and E. P. Ware
Bronze Figures
and
Valuable Furs

ON VIEW FROM MONDAY,
THE 7th OCTOBER, 1935.

TERMS:—CASH ON DELIVERY.

LAMBERT BROS.,
AUCTIONEERS.

Lord Kirkley leaves two daugh-
ters. There is no heir to the
title. His wife died in 1923.

CINEMA TRADE NOTICES

STAR OF MIDNIGHT

Presenting William Powell and Ginger Rogers, two of the screen's outstanding favourites, and telling a story with mystery, suspense, romance and comedy, "Star of Midnight," is a delightfully entertaining and completely absorbing picture. It is showing to-day at the King's Theatre.

Powell and Miss Rogers, teamed for the first time in this RKO Radio production, are absolutely at home in roles made to order for their talents. As a modern Sherlock Holmes and Dr. Watson combination, they work to solve a murder mystery. Their detective teamwork is unique, to say the least, with the delectable Miss Rogers providing more laughs and heart throbs than clues, although she does inadvertently manage to provide Powell with the key to the whole mystery.

The well-conceived, closely-knit plot moves gaily at times and at other times with stark tension toward a hair-raising climax.

The romance team is subtly woven into the main story. Supporting performances by Ralph Morgan, Gene Lockhart, Lewis Fenton, Paul Kelly, Russell Hopton, J. Farrell MacDonnell, and a long array of other capable performers, are excellent. Morgan and Lockhart are particularly entertaining.

Stephen Roberts, the director, has imparted just the right touches of lightness and dramatic intensity.

"Star of Midnight," presents Powell and Miss Rogers at their best in a really outstanding story, and, as anyone knows, that means brilliant entertainment.

BLACK FURY

Paul Muni was born in Vienna, but came to America at an early age with his parents. He was educated in the New York and Cleveland, Ohio schools, but got much of his training from his parents with whom he travelled the country, both being professionals. Muni showed a bent for theatricals as a youngster and played an important part when eleven years old. In this he was made up as an old man. The art of make-up intrigued him and he has made it a hobby ever since. When sixteen, Paul's father died and he went on his own, playing in Vaudeville and then in Boston and New York stock companies. His work in a Theatre Guild production interested Sam Harris, who gave him a contract. On the Broadway

GEORGE WHITE'S 1935 SCANDALS

Two hundred breath-taking beauties, pick of the country's pulchritude, personally selected by America's master showman, appear in "George White's Scandals," which will come on Saturday to the King's Theatre.

George White personally selected Miss Alice Faye for this eye-catching and melodious show which has captured the affections of the screen public everywhere. It is an honour to be chosen by him. He has in his career picked unknown girls and sky-rocketed them to fame. He has sponsored a score of Broadway's hits. His genius for picking beauties is in no small degree responsible for the quality of the superb productions.

He discovered Alice Faye, who had originally a minor song-and-dance routine for the first screen Scandals issued last year by Fox Films. Now she is one of the ten star magnets of the currents Scandals, and shares honours with James Dunn, Ned Sparks, Lyde Robert, Cliff Edwards, Arline Judge, Eleanor Powell, Emma Dunn, Benny Rubin and George White.

White, who gave the American public the "Black Bottom," "The Charleston" and many other popular dance steps, claims that Miss Powell is "The best girl tap dancer in the world."

The entire show, whose local engagement is anxiously awaited was conceived, produced and directed by George White. He originated the story himself, supervised its development, engaged the song writers, selected the stars, the principals, and the beauty ensembles, created the dance, and then played his buried ace by appearing in his own show.

stage he was a sensation. He first scored in "We Americans," and then in "Four Walls." On the strength of his work in the latter production he was called to Hollywood where he made his first picture "The Valiant." He also appeared in "Seven Faces" and "Scarface" Warner Bros., signed him under contract, his first picture being "I am a fugitive of a chain gang." He also starred in "The World Changes" and "Bordertown." His current picture is "Black Fury" coming soon to the Queen's Theatre.

TO-DAY ONLY at 2.30, 5.10, 7.15 & 9.30 P.M.

STAR OF MIDNIGHT
William Powell and Ginger Rogers
The scene society sleuth who created the role of "The Thin Man" in a grander mystery drama!

TO-MORROW
"GEORGE WHITE'S 1935 SCANDALS"
with ALICE FAYE — JAMES DUNN — NED SPARKS
A FOX PICTURE

TO-DAY & TO-MORROW at 2.30, 5.10, 7.20 & 9.30 P.M.

SECRET BRIDE
Barbara Stanwyck
The Story of the Governor's Daughter Who Dared to Fall for the Shadow on Her Forbidden Love Affair

with WARREN WILLIAM — GLENDA FARRELL

SECRET BRIDE

At The Queen's

New laurels are gained by Barbara Stanwyck in her latest vehicle "The Secret Bride," which is now showing at the Queen's Theatre to packed houses, when in a thrilling drama of political intrigue, which involves the commission of two baffling murders and the impeachment of the governor of the state on bribery charges, Miss Stanwyck demonstrated her ability to enact an entirely new type of role.

This picture has given this versatile feminine star her greatest opportunity for tense emotional characterization, and she does not disappoint in any way. This is the first time that Miss Stanwyck has been cast opposite Warren William, and it will not be surprising to see these two again in future productions.

Arthur Bryon gave a very creditable performance as the governor, while Grant Mitchell as the erring and cringing secretary of the slain financier has been admirably casted.

Others in the cast are Arthur Aylesworth, Willard Robertson and William Davidson.

The picture was directed by William Dieterle, and is a credit to Warner Bros.—"C".

BETTER FILMS MOVEMENT

London, Oct. 2.

It is announced that the British Film Institute is now prepared to examine films which producers may desire to submit and will issue a voucher to the effect that the films have been "approved by the Institute as of educational and cultural value" in the case of those reaching an approved standard in respect of general accuracy, artistic quality and intelligence. The scheme is advanced with a view to aiding the development of a discriminating public.

The second annual report of the Institute comments on an important experiment in East Africa to test the educational possibilities of films among backward peoples. Films are to be produced, with native settings and actors, which will demonstrate new methods in sanitation, health, infant welfare and in agriculture. Others will seek to interpret to the native mind Western ideas in education, law and administration. There will also be entertainment films based on native traditions, legends and life.

British Wireless.

ROUGH AND SMOOTH

(Special Air Mail Service)

London, Sept. 16.

This is a dismal year for Henry Cotton, and a dispiriting contrast to 1934 when he established himself as probably the greatest golfer in the world.

In the Open he faded right away and set off on a Continental tour that proved equally disastrous. Now he has lost in the first round of what is regarded as the professional's championship.

Many people are saying, as they always say of champions when they lose, that he is finished. They would probably say the same of Fred Perry if he lost his American title.

But Cotton's philosophy enables him to take any amount of rough with the smooth. He has survived it before, and will survive it again. Disappointment to him is only an incentive to renewed efforts.

ALL BLACKS' FIRST MATCH

The Hole In The Defence

(Special Air Mail Service)

London, September 16.

Thirty years ago New Zealand beat Devonshire in the first match of the tour by 55 points to 4; in 1924, on a rainy day which kept scoring low, the winning score was 11 points to nothing. In yesterday's match at Devonport Rectory Field, where Devonshire and Cornwall combined to form the opposition, the points were as near as may be half-way between 55 and 11. New Zealand scored 2 goals, a dropped goal, 3 penalty goals, and 4 tries to a penalty goal and a try.

This may be taken by some as an augury that the present team will be somewhere between the two earlier touring sides for merit. Whether this augury proves true or not, the important point in the scoring is that by scoring a try Devon and Cornwall have encouraged all other sides who will meet the tourists to seek for a hole in the defence. Each of the preceding "All Blacks" teams kept their lines from being crossed for their first four matches.

It should be unnecessary to urge players to stick to the rules. Gilbert's reliable place-kicking, which meant 9 points to his side from penalties, amounts to a warning notice to all future opponents.

A PROBLEM AND THE ANSWER

Training will go a long way towards countering the New Zealanders, who were held to 18-6 up to half-time. The only way to beat a "second-half" side is to be just as fit as they are. The tourists' first match has set a problem to the home country's Rugby, but also afforded information on the best way to beat them.

"Experienced men only" was the watchword of the All Blacks' selection committee. These methods provided a pack which averaged 6 foot and 14 stone, and the method of packing was three-four, with the 8th man putting the ball into the scrum, but there were times, especially early in the game, when they were shoved by the Counties' men, and it was to be noticed that the loose forward sometimes formed down as a one-man third row.

The Combined Counties were outplayed and it would be easy to overrate the tourists. Except for the opening quarter of an hour, when the Counties forwards pushed their opponents almost as they pleased in set scrummages, the tourists met with little opposition. Then New Zealand packed 3-4, with McLean adopting a roving commission. Sometimes he was wing forward and at other times he acted as an extra half or three-quarter.

When the All Blacks realised the power of Devon and Cornwall in the pack, McLean shoved with the rest, making the formation 3-4-1, and the side settled down to a strong game.

The man of the match was Gilbert, the full back, who kicked six goals, Devonport crowds of a dozen years ago knew another Gilbert, also a full back. Capped for England when nearly forty, he now looks after the Rectory Field. Within eight minutes the new Gilbert had won the admiration of an enthusiastic crowd of twenty thousand people by landing a penalty goal from the centre of the field. Further, to impress his ability, he increased the advantage by dropping a goal from thirty yards.

Immediately afterwards, however, a forward rush took Devon and Cornwall to the other end and, after a scrum, Bone led the way for R. Matthews to force his way over for the Counties' solitary try. No sooner had the cheering died down than Gilbert opened an All-Black attack from inside his own half. McLean carried it on

TO-DAY AT THE CINEMA

Hong Kong

KING'S:—"Star of Midnight"

QUEEN'S:—"Secret Bride"

ORIENTAL:—"All The King's Horses"

Kowloon

ALHAMBRA:—"Abdul The Damned"

MAJESTIC:—"Private Life of Don Juan"

Coming

KING'S:—"George White's 1935 Scandals"

QUEEN'S:—"Black Fury"

ALLEGED ROBBERY

Chin Shui-ting alias Tsui Kan alias Chan Siu-fun, said to be a notorious bandit, was brought before Mr. W. Schofield at the Central Court yesterday charged with armed robbery, alleged to have been committed at the Ko Sha village, Chung-Shan district within the jurisdiction of the Province of Kwangtung, on May 5, 1935.

The complainant in the case Liu Shung-lung has since died.

Mr. J. Fraser Asst. Attorney General appeared for the Crown.

The first principal witness called was Liew Wai Lum son of the complainant who is now dead.

He said that on the morning of May 5 of this year, he was in the house together with his father, mother, two sons and his two sisters, and while they were waiting for their morning meal at 7 a.m., the fugitive Shui Ting came in followed by nine others who were all armed with pistols and shot guns.

Witness did not know the accused but had heard several people in the district speak of him as "Shui Ting a notorious bandit." Upon entering the house the fugitive pointed his pistol at the inmates as did the others. The accused guarded the door and the others ransacked the whole house. They found three bags containing \$1055 in Canton currency, and after gathering their loot the accused who was at the head of the gang told them to disperse, and he himself followed later.

At this stage the hearing was adjourned.

UNMUZZLED DOG

A fine of \$25 was imposed on Dr. M. C. Ing, of No. 185 Sai Yeung Choi Street by Mr. Wynne-Jones at the Kowloon Magistracy yesterday for allowing her black and white terrier to be at large without a muzzle on September 21. Defendant insisted that the personally muzzled the dog before it was allowed out and when it returned it still had its muzzle on. Sgt. Davis who prosecuted said that the summons was taken out against defendant on the complaint of a man who had been bitten by the dog.

On fining defendant the Magistrate said, "We've got to impress upon people the absolute importance of preventing dogs from biting people."

Defendant: I haven't anything to pay the fine with.

His Worship: Well, I will have to issue a distress warrant.

It was stated that the dog had been inoculated.

MEMEL ELECTION

(Special to the "Hong Kong Daily Press" (Copyright))

Cairo, Oct. 2.

The Egyptian Cabinet met on Wednesday for a further session at the conclusion of which the British High Commissioner, Sir Miles Lampson, flew straight to Alexandria where he had a long conversation with King Fuad. No statement as yet has been issued concerning the Cabinet's deliberations.—*Transoceanic News*

MAJESTIC THEATRE
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At 2.30, 5.20, 7.20 & 9.20 P.M.

THE PRIVATE LIFE OF DON JUAN
Douglas Fairbanks

LINKING HONG-KONG WITH PENANG

(Special Air Mail Service)

London, Sept. 16. The experimental flights intended to lead to the linking of Hong Kong with the Imperial air route at Penang will be started by Imperial Airways on October 2. A series of six return flights will be made. The first two return flights will be surveys, occupying three days in each direction, and the remaining four flights will operate on a schedule of a day and a half in each direction. The route will involve two long sea crossings—one of some 400 miles between Penang and Saigon, and another of nearly 600 miles between Tourane (Indo-China) and Hong Kong.

The first of the service flights will leave Penang at about midday on Thursday, October 24, after the arrival of the service from England, and will reach Hong Kong on the evening of Friday, October 25. In the reverse direction the first of the regular trial services will leave Hong Kong on the morning of Tuesday, October 29, and will arrive at Penang at noon the following day, allowing ample time to make connexion with the homeward air mail which passes through Penang on Thursdays. On these experimental services no passengers or mail will be carried, but there may be a small "pay" load in the form of official commissions.

The small four-engined liner of the Diana class which is to make these flights will leave Croydon for the East next Monday. The crew will consist of Captain W. Armstrong, First Officer N. Richardson, an engineer, and a wireless operator.

HOME FOOTBALL

London, Oct. 2.

Chester, playing at The Stadium in the Northern Section of Third Division English Football League to-day, received a surprise from Crewe Alexandra, the visitors taking both points by the only goal of the match.

Butcher.

ALHAMBRA THEATRE
TO-DAY & TO-MORROW
at 2.30, 5.20, 7.20 & 9.30 P.M.

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Servicemen Dress Circle 40 cts.

A WAY WITH LIONS

(Special Air Mail Service)

London, Sept. 16.

In the midst of the exuberance of the new Zionism gathered in its first Congress at Vienna, Lt.-Col. J. H. Patterson must have appeared a reticent figure. At nearly 70 he looks what he is—a soldier and big-game hunter.

His experience in both spheres is great. He won the D.S.O. in South Africa, where he commanded an Imperial Yeomanry battalion. He fought a more dangerous campaign in Kenya—the enemy there being a pride of man-eating lions.

In the Great War he finally found himself, after being commanding officer of various line battalions, in command of the Jewish Battalion of the Royal Fusiliers in Palestine. From that time dates his sympathy with the Zionist movement.

Whether he is dealing with lions or men, Col. Patterson has definitely a way with him. He said once that for years after his first book was published he drew \$400 a year in royalties—which seems to show that he spoke with authority even as a budding author to his publisher.

But as this particular book related his adventures with the man-eaters of Tsavo—and was a thriller of thrillers—this fact was less surprising than it sounds.

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CABLES "SWENOMES"

MEANS OF AMELIORATION

(Continued from Page 2)

figures. I have obtained them from two of our leading architects. From the merchants we hear on all sides complaints of lack of business, and who is there who has not written down his balance sheet by something in the neighbourhood of 50 per cent. Who have not made efforts to reorganise, reduce staffs, made cuts in salaries and generally attempted to economise in all directions?

In view of the circumstances prevailing how can Government expect to collect revenue to anything like the extent it did in more prosperous times? It cannot, and it will not.

Bearing in mind these facts, and taking into consideration the great uncertainty of the exchange, what should be done?

I am not for a moment suggesting that present conditions are permanent; they are a passing phase of very uncertain duration which, like similar cycles of depression in the past, have had to be faced. The Colony has no public debt worth speaking of, its speculative position is moderate compared with many other places and the general situation is that of a cash position. Under these circumstances the Colony will easily adjust itself and when recovery comes, it will come quickly.

We must not however be forgetful of the fact that undoubtedly some of the entrepot trade which formerly came through Hong Kong now goes direct to China and probably will not return to this Colony.

I am not unmindful of the fact that in the 1934 Estimates of Public Works Recurrent there was a reduction of \$78,750 and in 1935 of \$143,100, but these drops in the ocean are quite inadequate if we are going to ensure a balanced budget and not continue to draw further on our surplus balances. We must have a 10 per cent. reduction on the Colony's total expenditure, which would mean reducing the estimated total expenditure to \$26,638,334 and would balance the budget with a small margin in hand.

CAREFUL SURVEY

How this is to be done I am not in a position to say as I have not the special knowledge of Government Departments, but I do know, that if I have £100 in the Bank I can't spend £120. Government only has the knowledge of how it can be done, and done it must be, otherwise Sir William Peel's successor will find a position far more difficult to tackle than it is to-day.

It can only be done by a careful survey of every branch of Government Service with a view to effecting substantial economies, and as a hint I would suggest that Government might, with advantage, turn its eyes on the Medical, Education and Harbour Departments where some substantial economies might be made.

Government servants so far have been more fortunate than their colleagues in other Colonies as regards cuts in their salaries, although it cannot be denied a rising dollar automatically produces to the recipient fewer dollars on a sterling salary and thereby costs the Government less. But, as far as Government servants in this Colony are concerned, they receive their salaries at the rate of the day, up to 2s. if the dollar rises above 2s. they are paid at 2s. Acting allowances, travelling allowances, house allowances and rents should receive attention.

I think it is the unanimous view of the public that increased taxation is out of the question at the present time.

REDUCTION PRESSED

Should Government be of the opinion that an immediate reduction of 10 per cent. in the Colony's total expenditure is absolutely impossible then I must press for a reduction of 5 per cent. and the taking \$1,000,000 only from the surplus balances leaving a further \$1,000,000 to assist us in tiding over the year 1937. Any other course would in my opinion be financially indefensible and fraught with the gravest danger.

These proposals should place no undue strain on the Government administration as it is always open to Government to come to the Finance Committee for a supplemental vote in case of absolute necessity.

My experience of life is that if there is money in the till it will surely be spent, whilst a deterrent such as the necessity for a supplemental vote compels the Head of the Department concerned to think twice before he comes before the Finance Committee and applies for more money.

As it is not my desire to force this issue to a division I can only

express the pious hope that what I have said will not fall on deaf ears or barren earth but that a great effort will be made to balance the Budget.

THE CHINESE VIEW

Hon. Mr. Kotewall's
Speech

Sir, I shall, as I did last year, abstain from comments on individual items in the Estimates, but confine myself to broad principles of budgeting and general policy of administration. In my observations on these points my Chinese colleagues have expressed concurrence.

NEW TAXATION

The Honourable Senior Unofficial Member has voiced the united and strong views of the unofficial body on the subject of possible new taxation. As the Chinese community pays over 90 per cent. of the Colony's taxes, I make no apology for offering a few additional remarks on this important subject. The statement in this regard, which Your Excellency considered it necessary to make at the last meeting of this Council, has caused the community grave concern; for it is already taxed to capacity, if not beyond it, and any new tax-burdens may be the last straw.

I am aware that there are not wanting people who believe that Hong Kong is lightly taxed, compared with other parts of the Empire. This belief is, as I have more than once pointed out, based on faulty premises. So much of our population is of a migratory character that to compare our tax-burdens per head with those of other places is fallacious and futile. It is on the settled portion of the population that the preponderating part of the burden falls, as it is with them that the mainsprings of our economic activity are to be found.

REDUCED TAXATION

In my opinion, formed after careful study of the prevailing conditions, the Government, instead of contemplating new taxation, should devise means of positive amelioration. Our trade is more than ever depressed, but so far only negative fiscal measures have been taken; and now even the policy of avoiding fresh taxes may go by the board. Surely it would be wise statesmanship to venture upon a positive fiscal policy, not of new taxation, but of lightening the burden of the people.

THE ASSESSED TAX

Speaking in the Budget debate last year, I strongly urged a reduction of the Assessed Tax by 4 per cent. as a temporary expedient. I need not repeat at length the arguments which I then adduced, and which, I have reason to believe, had and have the support of a large proportion of the community. I am more than ever convinced that, as a means of restoring prosperity, a reduction in the Tax is essential. Not for a moment do I delude myself with the belief that there would then be no further obstacles in the way of recovery, but I do say that there is imperative need for a stimulus of this nature to induce a favourable turn of trade.

SURPLUS BALANCES

In order to meet the loss of revenue, which I believe would be only temporary, I advocated last year that we should draw upon the Colony's surplus balances. Even more strongly do I now believe that such a recourse to our balances would be not only justified, but a wise and constructive policy. If the pressure of costs upon our trade is alleviated in this way, can anyone say that no impetus would thereby be given to that trade? The impetus would, I believe, be emphatic; profits would become possible; and trade would increase. As trade increased public revenues would expand, and the Colony's surplus, if not left intact, would at all events not suffer the attenuation that some fear. I have already expressed the view that to keep a reserve with the avowed object of enabling the Colony to meet emergencies, and then so to define emergencies as to exclude all conceivable conjunctures, is illogical. Are not the times through which we are passing times of emergency? Are we not suffering from the greatest

economic depression the Colony has ever experienced? A reserve which is eternally inviolate is a useless excrement. By using it in circumstances like the present, we lighten the burden of trade and industry, and what is more important, give positive aid and stimulus to their revival, which would, in turn, benefit our revenue. I would even go to the length of saying that if we try to conserve the surplus without taking any constructive action, we may, as things go, lose it; but if we use it wisely, we may still have it.

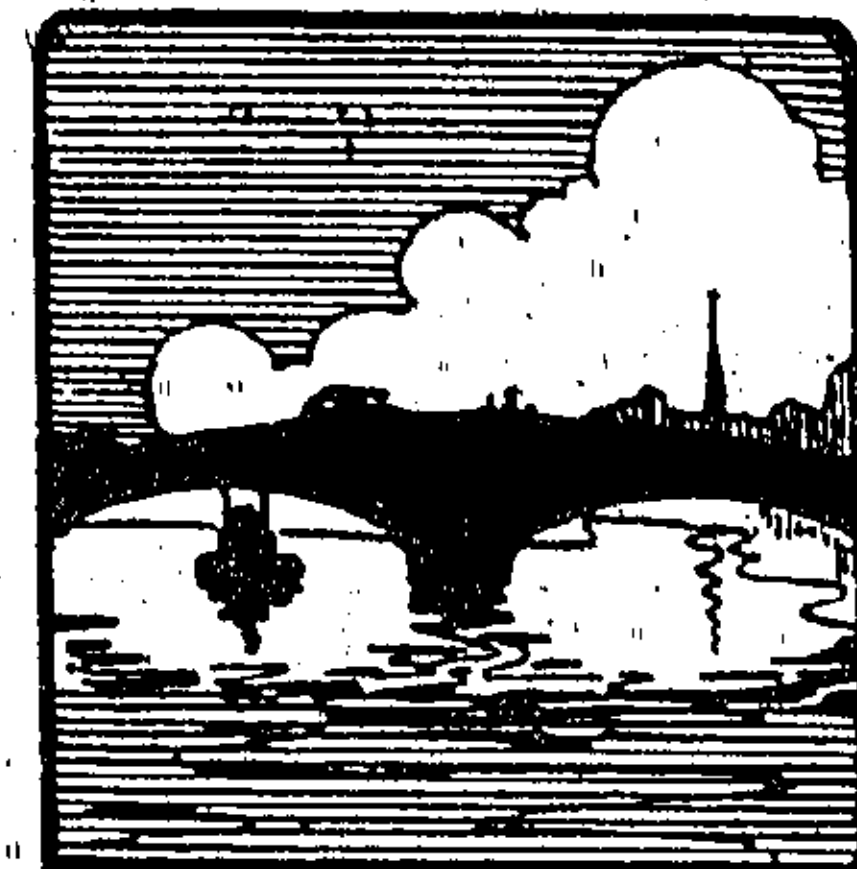
LOCAL APPOINTMENTS

There is one form of economy which, in my view, has not been exercised to the extent it should be. I refer to the employment of "local men" in the Government Service. By throwing open to them many of the posts now held by Europeans, a considerable saving in the cost of administration would be effected without loss of efficiency. In times past the lack of suitable recruiting material might have been pleaded against this proposition, but that plea can no longer stand. From the University, from the high schools, there is a steady flow of well-educated young men, many of whom, in these hard times, can find no employment, and thus are unable to make use of the knowledge they have acquired. The Government may well utilise this splendid material for the more responsible offices as far as possible. I am aware that the Government have in recent years adopted a more liberal policy in this matter; but that policy does not go far enough; nor are its results likely to be other than negligible in comparison with the actual needs. In other parts of the Empire I need only instance India and Ceylon—where, as here, the beneficent rule of Great Britain is grounded upon co-operative endeavour, employment of the natives of the land in administrative posts of all grades, has proceeded far. Here in Hong Kong we lag behind. The present policy does not conduce to the

(Continued on Page 7)

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KANAGAWA— Kanagawa Hotel Kanagawa Hotel	YUJIN— Yujin Hotel Yujin Hotel	YOKOHAMA— Yokohama Hotel Yokohama Hotel
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LIPTON'S TEA HINTS

There is nothing easier than to make tea well—except to make it badly. So here are some hints on how to make the best of it.

BUYING TEA. Tea is the cheapest and most economical drink in the world. From one pound of good tea you can brew as many as 200 cups. And it pays in the long run to buy good tea because it is more economical to use, and the difference between the cost of one cup of poor tea and one cup of good tea is so infinitesimally small as not to matter. But there is all the difference in the flavour and it is the flavour that is really the luxury that everyone can now afford.

STORE TEA IN AN AIR-TIGHT CONTAINER. Tea loses its flavour if it is exposed to the air for long, especially in a moist climate. It ought to be kept in a caddy, or in a glass jar with a screw top, or in clean tin.

USE THE RIGHT KIND OF TEA-POT. Nothing compares with an ordinary brown earthenware tea-pot for making good tea. This should be carefully cleaned, not just rinsed, to remove all stains and dried after use. When cleaning don't forget the spout; a small brush will come in handy for this.



YELLOW LABEL

MEASURE THE QUANTITY OF TEA CAREFULLY. "One tea-spoonful per person and one for the pot" is a sound old-fashioned rule that has never been beaten. But if good tea is used there is no need to allow "one for the pot," unless very strong tea is wanted, for good tea is more economical than cheap tea.

USE ONLY FRESHLY BOILED WATER. Take care to warm the pot thoroughly before putting in the tea. Then pour on freshly boiled water—not water that has been allowed to simmer. Better tea will be made if the kettle is kept free from the lime or chalk deposits of hard water.

ALLOW FOUR MINUTES FOR INFUSION. Pour freshly boiled water on to the leaves until the tea-pot is full, but don't pour out the tea into cups until you have allowed it to stand for at least four minutes. The lid, of course, should be put back as soon as the water is poured into the pot, and then the whole should be covered with a cosy. Don't forget that tea should never be allowed to "steep." If it is allowed to stand too long tea loses all its virtue and its flavour.

THE MARKETING OF NEW TERRITORY PRODUCE

(Continued from Page 6)

best interests of the Colony, for, apart from financial reasons, good men will not commit their life career to a Service in which there is for them very little scope for betterment in spite of the highest qualities and qualifications.

TOURIST TRADE

The Government are to be congratulated upon the official aid and encouragement they have given to the project for promoting our "tourist trade," a project which holds out the hope of better things to come. This scheme is the outcome of suggestions made by the Hon. Mr. Mackie and myself in the Budget debate last year, and it is gratifying to see the promptness with which those suggestions have been taken up by the Government. In this matter, it seems that the Government have been more appreciative of the public's need and interests than the public itself. I say this because I am informed that the response of the community to the appeal made by the Travel Association for funds has been disappointing. Of the amount that has been subscribed, the bulk comes from public companies and European firms. Although these companies represent Chinese capital to no small extent, it is a pity that the direct response from the Chinese community has been so meagre. I should like to see a much more individual and direct encouragement from that quarter. I avail myself of the opportunity which this meeting affords, to impress upon all that this project is one which will undoubtedly bring very valuable results. Some may think that the benefits will accrue only to certain classes of the community; but I assure them that a large influx of visitors and the development of the Colony as a resort cannot but be, directly or indirectly of value to everyone, whether he be the head of a large firm, or a small tradesman, or even a rickshaw-puller. It is to be hoped that everyone will realize the great potentialities of this organisation, and support it to the best of his ability.

BATHING-PAVILIONS

In some ways connected with this project, are the bathing pavilions at North Point, which are a distinct attraction to visitors from Canton and other neighbouring regions. At the risk of appearing importunate, I would once more urge the Government to conserve, as long as possible, these pavilions which are also a very necessary means of recreation and health to large numbers of our inhabitants. Meanwhile, with a view to maintaining and enhancing the amenities of the Colony, it would be wise for Government to look for and reserve other sites which would serve the same purpose, and be easy of access to people of the middle and lower classes.

MUNICIPAL RECREATION GROUND

The amenities of the Colony can further be enhanced by the provision of a public recreation ground open to all sections of the community, where golf, football, tennis and other forms of recreation would be available at small fees to those for whom private sports clubs are too expensive. There is no need to point out how such facilities would add to the attractiveness of Hong Kong. The municipal resorts of England and other countries depend to a great extent on the provision of such recreation grounds. From time to time during the last fifteen years, there have been spasmodic attempts here to initiate such a scheme by private enterprise, but for one reason or another, they fell through. I am informed that Government are prepared to consider applications for this purpose with regard to an available site at Aberdeen, but it is difficult in these times for private enterprise to undertake a project of this magnitude. Yet the scheme is one which may well be considered as a public necessity, from the point of view of health and fitness of the community, as well as of the material profits to the Colony, which I have mentioned. It would therefore be good policy for the Government to undertake the financial outlay required, much of which might be expected to be reimbursed in course of time through fees.

RELATIONS WITH CANTON

I should like, if I may, to dwell for a moment on the relationship between Hong Kong and Canton. That it is essential to maintain good relations with our neighbour all recognise. That the relations now subsisting are cordial and

sympathetic, everyone will also admit. But the exchange of friendly visits from time to time, necessary and gratifying as it is, is not enough. We should endeavour to assist and to co-operate with each other in the active promotion of interport trade, for the interests of the two places are interdependent, and the fortunes of the one are bound up with those of the other.

I am convinced that much could be achieved in this direction, were serious steps taken towards formulating a common policy, and it is my earnest hope that Government will give this matter the consideration which its importance deserves.

BUDGET DEBATES

Now, reverting to the direct subject of the Budget, I put forward for Your Excellency's consideration a suggestion relating to the discussion of the annual Estimates in Council. Hitherto, with one or two exceptions, the practice has been to pass the second and third readings of the Appropriation Bill at one sitting. The debate on the Budget is an occasion of great importance to the community. Speeches are made by almost every individual member, and the point raised by them are numerous and varied. It is well-nigh impossible, even though advance copies of the unofficial members' speeches are furnished to the Government a day or two beforehand, for all the criticisms and suggestions to be given adequate consideration. Furthermore, no opportunity whatsoever is afforded the public to formulate and express their views on the points raised before they are disposed of for good or ill. It is a recognised rule of good administration everywhere to ascertain the trend of public opinion upon debatable issues before proceeding to action. I would therefore make the suggestion that in future a separate date, say a week later, may be set aside for the third reading.

A PERSONAL NOTE

I apologise for having spoken so long; but as this is my last appearance in this Honourable Council, I trust that you, Sir, and my honourable colleagues will be indulgent. It is to me a striking coincidence that my last utterance in this assembly should be on the Budget, an instrument which has been almost my constant concern since 1903. For thirteen years in the Colonial Secretary's Office it was my duty to assist in the preparation of the Estimates; even after my resignation from the Government Service, I still performed this duty for the Government for a year—during the War, in 1916, to be precise; and from 1923 until now the Budget has ever occupied my close attention, as a "member on opposition." So, as it is thirty-two years since I first directed my mind to the annual Estimates, it is perhaps fitting that my last word here should be of them.

CONGRATULATIONS AND THANKS

May I, in conclusion, associate myself with the Honourable Senior Unofficial member in his expression of congratulations and thanks to all those responsible for the production of the Budget before us—to Sir Thomas Southern and Mr. D. W. Trautman, to the Hon. Colonial Treasurer and the Hon. Director of Public Works, and to Mr. A. W. G. H. Grantham, to whom I also offer sincere felicitations on his well-merited promotion. It is a matter of great regret to all of us that illness overtook Sir Thomas Southern and Mr. Trautman just on the completion of their arduous labour on the Estimates. I offer them my deepest sympathy, and wish them a speedy and complete recovery. I desire also to congratulate Your Excellency on your lucid and comprehensive presentation of the Budget, and on the statesmanlike commentary which accompanied your exposition. The Colony is fortunate that at a time when it is deprived of the able guidance of both the senior officials in the civil administration, the temporary control of its affairs should rest in such capable hands.

THE KOWLOON MEMBER

The Opium Menace

The Hon. Mr. J. P. Braga said:—Your Excellency—Two statements in the Colonial Secretary's Budget Speech appear to me to be in conflict. They call for some explanation. The first is that on

the instructions of the Secretary of State six more opium shops would be opened. There are at present seven such shops. The Colonial Treasurer disputes the forecast of the revenue derivable from the sale of opium. He asserts that the opium monopoly still declines and the estimate for 1936 is perhaps "rather optimistically placed at \$300,000." It is regrettable that the Colony is going to increase the number of its opium shops. It is a decision that, in the opinion of many, is indefensible on any grounds whatsoever. The increase might be accompanied by some satisfactory explanation of the attitude adopted by the Secretary of State since there exist serious doubts as to the wisdom of the continuance of a contentious policy.

A telegram from Geneva, dated the 28th September, 1935, informs the Far Eastern world that the League Council paid a tribute to the Chinese Government in the matter of opium suppression, and expressed the hope that it would finally rid China of the drug evil. On the ground of expediency alone, the Colony should, to my mind, forgo an item of revenue for the great beneficial results which the extinguishment of the opium monopoly would bring about in the Colony. Hong Kong has acted in the past at the behest of the League of Nations on the question of one of its features of the social evil, and it may well now forestall the indicated "necessity of tightening up regulations" with regard to opium. Support is lent to this suggestion by the Colonial Secretary's remark—the conflicting statement—that "this Colony must carry out its international obligations as regards opium."

SOCIAL SERVICES

The wisdom of refraining from reducing expenditure for social services will commend itself to most citizens. An important aspect of the question of these services has, I am afraid, never been emphasized in the past. Unstinted praise and credit cannot fairly be withheld from the various religious associations, irrespective of their denominations, for establishing institutions, for philanthropic work and maintaining large staffs for whose services the Colonial contributions represent a very small part of the capital involved, part of which is from abroad, in the erection of buildings and the upkeep of the special personnel who form such an important amongst our important assets.

It is with regret that I note a proposal to effect a reduction in the salary of one Nursing Sister. I have had the benefit for some time of personal acquaintance with the duties demanded, and cheerfully rendered in this important Government department. Personally, I would recommend that Government retain the Nursing Sister, in addition to the departmental requirement of another assistant Matron, on the staff of the Medical Department instead of dispensing with her next year, although I am not unmindful that the Sister will be replaced by two midwives on a dollar salary. It is not the wisest step to pursue on the ground of economy, consonant with the efficiency of the hospitals.

EXPERIMENT APPROVED

Unfettered appreciation must be expressed to the Government's experiment in the substitution of Sterling-paid men whose duties can be efficiently performed by Asiatic members of the staff. I have repeatedly urged the scheme to Government in the past; it can be profitably repeated to-day. The proposal to broaden this successful trial, which has passed its experimental stage, is one that is commendable both from the point of view of economy and the absorption of local men for employment. To my sorrow I can observe the growing tendency of the local unemployment problem, and it behooves those in authority whose duty it is effectively to check this undesirable growth to adopt remedial measures for its prevention.

The Colonial Secretary refers to the Treasurer's lucid memorandum to explain the decrease in Railway receipts. One of the reasons given for this decrease is a reduction in the passenger traffic to Shum-chun. I do not regard the diminution of the Shumchun traffic with any regret or misgiving. Frankly, I would say that the diminution of that traffic is as unwise as it is undesirable. I know that I am treading on thin ice when I say that the facilities

afforded in conspicuous public places for drawing attention to the "amusements" in question such as exist, beyond our border are, to put it mildly, in bad form. Is it too much to hope that they may be removed?

Up to this stage I have dealt with a few of the more salient features, as they appear to me of the Colonial Secretary's statement that invite comments.

THE MAINLAND

I now approach more familiar subjects nearer my home ground. They deal with questions affecting Kowloon.

The re-laying of the untidy open space by the Railway fence on Chaiham Road involves a very slight expenditure for the improvement which the site will offer to residents in the vicinity and to visitors to the Colony. To take in hand one section is praiseworthy in itself. This partial improvement has become very noticeable. Kowloon residents will appreciate prosecution of the work to include the entire strip of land as soon as any savings can be made in the expenditure of the Public Works Department. There is all to commend the beautifying of open spaces on the Peninsula. On aesthetic grounds it is highly desirable and, added to that recommendation, in the absence of public parks improvements are called for in the interests of public convenience and necessity. Let us hope that it will not be long before the finances of the Colony will permit of the erection of a public band-stand on this magnificent ground by the sea where music can be discoursed of an evening in the warm summer time.

A small public work of much utility commends itself for the benefit of those who have to resort to the Kowloon Hospital for medical attention and advice and to bus patrons also. To the ordinary observer it will be seen that no shelter or waiting place for the buses is provided for those who make use of the Hospital. I feel sure a suitable cover or shelter can be erected in the open space at the junction of Argyle and Waterloo Roads, at comparatively small cost, that would be greatly appreciated.

BETTER LIGHTING URGED

The cutting down of expenditure for lighting both on the Island and on the mainland is greatly to be deplored. Accidents occur through poor and insufficient lighting, more so in public thoroughfares so dimly lighted as at Kowloon. The obligation is imposed upon Government, in presence of recommendations by Coroner's Jury during the year, to improve the lighting rather than to reduce it. It is noticed that on the Hong Kong side a saving of \$15,000 is proposed for 1936, and at New Kowloon a saving of \$1,000, \$16,000 in all. Whether the economy is a wise one remains to be proved, but public opinion strongly advocates better and improved lighting for the personal safety of pedestrians and motor car drivers. Owners of motor vehicles contribute quite an appreciable amount of the revenue in the petrol they consume and for the licences they pay.

Neglected Hominin clamours for some minor favours as a despoiled child of a paternal Government. The locality is favoured as the home of quite a number of families. Having nowhere else to play, dozens of children living in the district have of necessity to use the streets as playgrounds. Residents justly claim for some reserved open space near by for the children to play in. The oft-repeated complaint of the prevalence of malarial mosquitoes in the district since the early days of its settlement continues to persist. It is alleged that the presence of market gardens in the vicinity is to be held partly responsible for malaria. It is worth inquiring into. This last summer cases of malaria have been very numerous. Despite complaints in the columns of this local newspaper, urging anti-malarial measures, the district has been comparatively neglected, and nothing much has been done to eradicate the evil. Flushing facilities, due to the lack of drainage improvement, are conspicuous by their absence. The devious route and infrequency of the buses, especially during business hours, causes considerable inconvenience to a large number of residents, and to those who have to visit the Kowloon Hospital. Public convenience demands attention to the inadequacy of the service. Finally, Hominin taxpayers make a point of the inquiry of the public amenities they obtain on the whole from a Government to which they pay

the same proportional rates and taxes as residents in other parts of the Colony. This is a problem to which it appears difficult to turn a deaf ear, and one whose urgency demands immediate and satisfactory solution.

MARKETING SCHEME

For the marketing of New Territory produce it is satisfactory to note that provision has been made for increased facilities in Kowloon for the sale in bulk of vegetables. This was recommended by the 1933 New Territories Produce Marketing Committee. The scheme appears to be doing much good, and in the opinion of the District Officer (North) it is stimulating local vegetable production. In this connection I have received a Chinese letter from the Executive Committee of the New Territories Agricultural Association, who seek permission from the Government for the farmers to erect separate sheds on sites on which they could sell in the day time, and in which they could sleep at night, to avoid the necessity and expense of constant travelling. The Agricultural Association will be glad of permission for the erection of matchboxes for the disposal of the farmers' produce in the manner suggested. Where the provision of cheaper perishable produce can be obtained without any infringement of the Sanitary regulations, there is every reason to hope that Government might see fit to provide the desired facilities.

The District Officer (North) records in his annual report that "development in lay-out areas, involves Government in a recurrent expenditure for the maintenance of roads, etc.," and the growth of the Yuen Long Market is stated as being most striking. These statements lead to the conclusion that the development of the New Territories is proceeding apace. With such development, contractors may anticipate the necessity for transporting larger and bulkier structural materials, principally steel, to outlying districts. With heavier loads, the strengthening of roads and bridges is almost imperative if the Police exercise, as we know they do, their vigilance in preventing the use of roads by trucks and lorries exceeding a certain maximum specified weight. It should also be noted that some of the bridges were constructed many years ago, and the time seems to have arrived when their safety might be looked into before any serious mishap occurs.

PIG BREEDING

Some disappointment must be expressed at the absence of reference to the matter of pig breeding and poultry farming on the mainland. This disappointment is emphasised by the fact that a Committee of a few of Hong Kong's leading residents and businessmen have devoted much time and thought in collecting evidence and in the formulation of recommendations for adoption by the Government. The failure to let the public into Government confidence of any projected scheme under consideration with regard to this matter is much to be regretted. Mr. C. F. Strickland's report, of the 29th June, 1935, tabled at the last meeting of the Council, does not deal specifically with the industries in question. Some assurance might be forthcoming from the Government that an enterprise of so much potential value, and the trade to be created thereby in the Colony has not been lost sight of and that implementation of the Committee's recommendations will be brought nearer the stage of accomplished facts in the immediate future.

INTERNATIONAL PARK

The formation and inauguration of the Equine Sports Club at Shatin re-opens the vision of a large international park and playground in that district. When funds are available the starting of the first section of the circular road from Ngau Shui Wan to Sal-kung, round to Shatin might be commenced. The first section is the small stretch from beyond the Kai Tak Aerodrome to Ma Yue Tong. The idea should commend itself for the scenic beauties of the country and their attraction to tourists and motor car owners in Hong Kong.

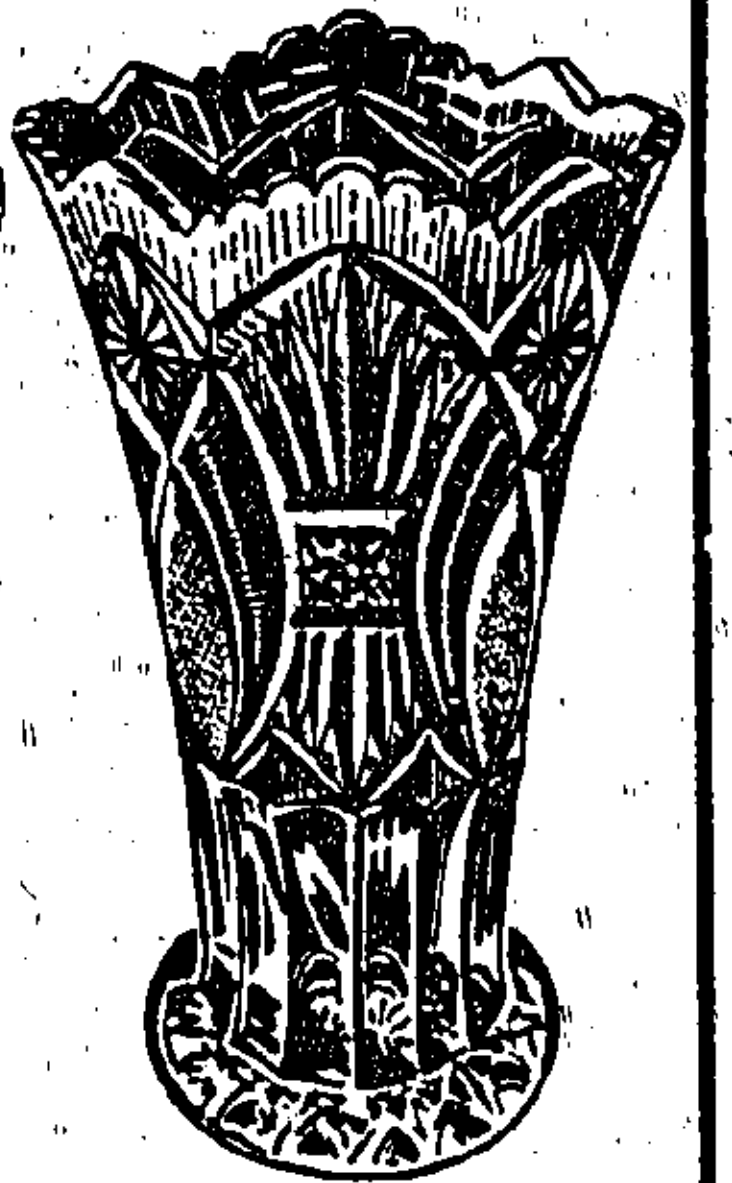
The recurrence of armed robberies in the New Territories has been giving residents cause for anxiety and alarm. The situation is, I am happy to think, engaging the attention of Government, and the step proposed, among others, for increasing the strength of the Police, to combat the growing evils of robbery and banditry should

(Continued on Page 10)

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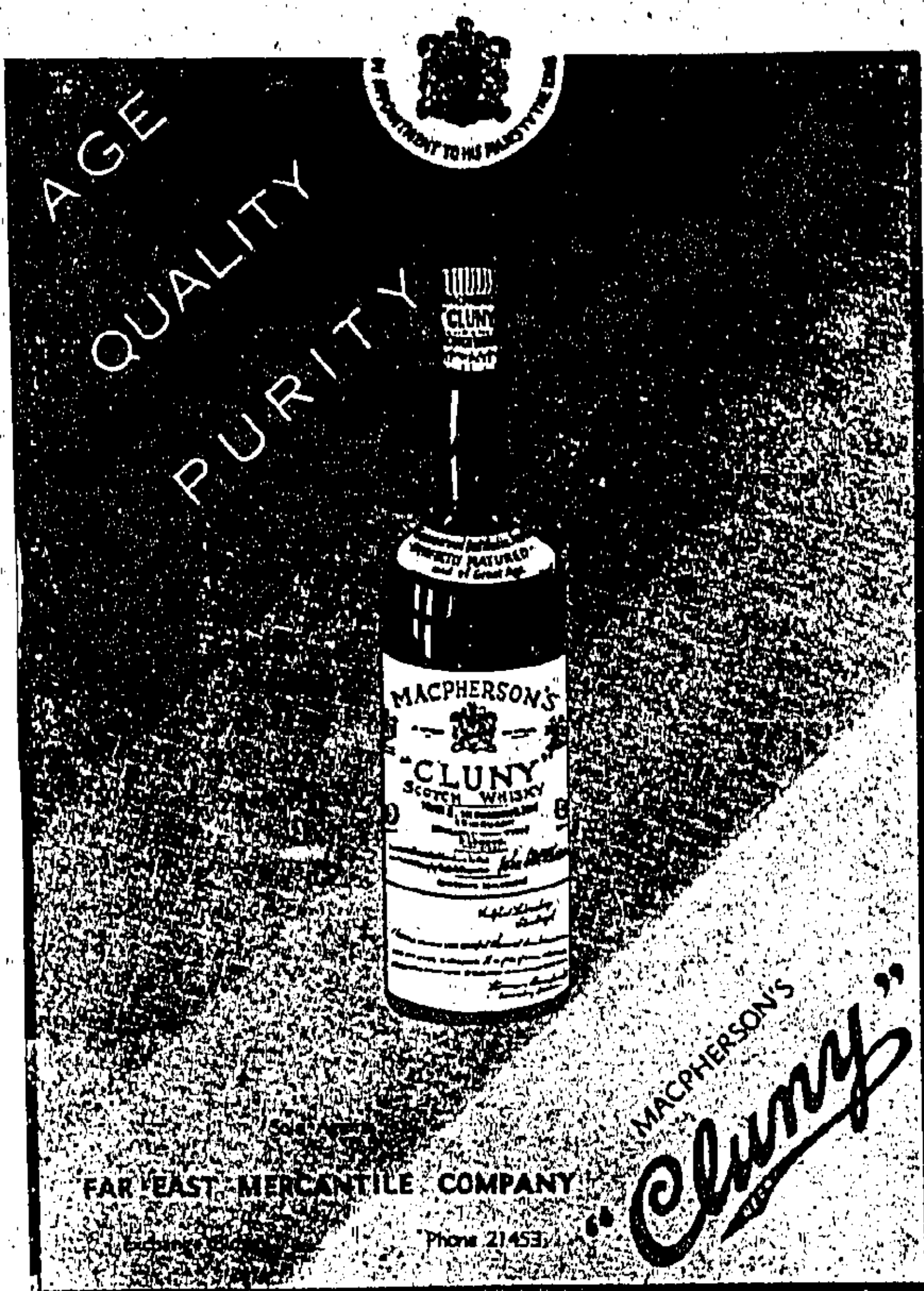
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NEW ADVERTISEMENTS

IN THE MATTER OF THE COMPANIES ORDINANCES, 1911

AND OF THE KWONG SHING CHEONG SANDALWOOD ASSOCIATION, LIMITED.

(IN VOLUNTARY LIQUIDATION)

NOTICE is hereby given that the Final General Meeting of the above-named Company will be held in the Board Room of Messrs. Lowe, Bingham & Matthews, Mercantile Bank Building, 7, Queen's Road Central, Hong Kong, on MONDAY, 4th November, 1935, at 12 o'clock NOON precisely, for the purpose of having the Account of the Liquidators, showing the manner in which the Winding-Up has been conducted, and the Property of the Company disposed of, laid before such Meeting and of hearing any explanation that may be given by the Liquidators, and to pass the following Extraordinary Resolution, viz:—

"That the Books, Accounts and Documents of the Company, and of the Liquidators thereof be retained by the Liquidators, they undertaking to destroy the same at the expiration of Five Years from the Dissolution of the Company."

A. RITCHIE, C.A.,
Liquidator.
Hong Kong, 3rd October, 1935.

NOTICE.

THE Consul for Portugal and the Portuguese Associations in Hong Kong will be at Home to friends at the Club Lusitano on the 6th of October, from 11.30 a.m. to 12.30 p.m. on the occasion of the 25th Anniversary of the Portuguese Republic.

Hong Kong, 4th October, 1935.

NOTICE.

NOTICE is hereby given that June Kato of No. 13, Robinson Road (1st Floor), Victoria, Hong Kong, is applying to the Governor for naturalization, and that any person who knows any reason why naturalization should not be granted should send a written and signed statement of the facts to the Colonial Secretary, Hong Kong.

Hong Kong, 4th October, 1935.

IN THE SUPREME COURT OF HONG KONG.

PROBATE JURISDICTION.

In the Goods of GEORGE HENRY BOSCH, late of Sydney in the State of New South Wales in the Commonwealth of Australia, Merchant, Deceased.

NOTICE IS HEREBY GIVEN that the Court has by virtue of the provisions of Section 58 of Ordinance No. 2 of 1897, made an order limiting the time for creditors and others to send in their claims against the above estate to 26th day of OCTOBER, 1935.

All Creditors and others are accordingly hereby required to send their claims to the undersigned on or before that date.

DEACONS.

Solicitors for the Executor,
1, Des Voeux Road Central,
Hong Kong.

Editorial and Business Office: 11, Ice House Street. Tel. 30251.
Night Editor (Wanchai Office): Tel. 24511.
London Office: 53, Fleet Street, E.C. 4.

The Daily Press.

HONG KONG, OCTOBER 4, 1935.

GUERRILLA WARFARE

Another of the delusions fomented by popular gossip disappears as the result of the Budget Debate in the Legislative Council yesterday. The public has long held—that is, evidently a mistaken idea—that the Unofficial Councillors form themselves into a study circle as soon as the speech introducing the Budget is delivered and organise a united onslaught on those positions from which they desire to drive the Government. This year—at any rate—the methods have been those of guerrilla warfare: to be in line with the public sympathies of the moment the Unofficials adopted the methods of Abyssinia, with results which will, we fear, be repeated on the wider field. First we have the venerable leader of the host expressing "our joint views"; then Sir William Shenton "unable to take, in a measure, the same view." Sir William deplors the way we are eating into our reserves in times of stress. Mr. Kotewall next deploys his forces, displaying a command of the English language which puts the native speakers of that tongue to shame. But Mr. Kotewall believes that taking our money from the bank would be a wise and constructive policy. He even goes further and wants taxation reduced, although the Government (Sir William Shenton has just said) is likely to receive less revenue from existing taxation than it expects. And Mr. Paterson, on behalf of the Chamber of Commerce, would like the Government to forego some more of its revenue by a reduction of shipping and postal charges.

Not unnaturally, in the circumstances, the Colonial Secretary left the main passages of the Unofficials' speeches to cancel one another out and wandered pleasantly down the various by-paths in Kowloon and elsewhere which Mr. Braga and other speakers had invited him to explore. We need not follow him; those interested will find the subjects discussed in detail in the report of the debate, even down to the question whether people waiting for a bus shall be left to buy their own umbrellas or have a communal one provided for them by the Government. A humorous touch was the invitation to Mr. Paterson, Chairman of the Retrenchment Commission, 1932, to read the report of that body regarding his suggestion that the Government might abolish its separate telephone system. His Excellency reserved for his own consumption the "most unpalatable dose" which Sir Henry Follock had proffered, namely the word "unconstitutional" as applied to the action of the Government in asking the Secretary of State what should be done if revenue fails to

meet expenditure. The upshot of H.E.'s explanation was the claim that "such prior reference to the Secretary of State is in no way either a usurpation or an abridgment of the constitutional powers of the Council." Fully aware that the Colony is governed from Whitehall and that Colonial Governors sit at the end of a wire from that well-known thoroughfare, the ordinary public will dismiss the whole discussion as "Much Ado About Nothing." The result of two days' speeches may be summarised as follows:—

"The Government: We have cut expenditure to the bone."
"The Unofficial Members: It's nothing to what you will have to do next year."

TWO THOUSAND DELEGATES

Conservatives In Conference

London, October 3. Two thousand delegates of the Conservative Associations are gathered at Bournemouth for the annual conference to-day and to-morrow.

Mr. Page Croft's motion congratulating the Government on the progressive triumph of their general policy in restoring trade and finance and urging vigorous extension of it received great acclamation.

The debate on National Imperial Defence began with interest intensified by Mr. Winston Churchill's amendment to the original motion in which he seeks an explicit declaration by the conference that "it is the duty of Government forthwith to repair the serious deficiencies in the defence forces and particularly to organise the industries for speedy conversion for defence purposes, make a renewed effort to establish equality with the strongest foreign air force within striking distance of our shores, rebuild the British Fleet, strengthen the Navy to safeguard our food and livelihood, and preserve the cohesion of the British Empire."

Other resolutions oppose the transfer of British territory to any foreign power without the previous consent of the British subjects therein, demand special efforts for revival of the distressed areas, and higher tariffs for foreign foodstuffs with Imperial preference.

Mr. Stanley Baldwin will wind up the conference to-morrow evening.

GOVERNMENT'S DUTY

London, Oct. 3. "It is unnecessary for me to assure you to remind the Government of their duty to the nation in the matter of defence," said Mr. Neville Chamberlain, Chancellor of the Exchequer, at the National Conservative conference at Bournemouth in response to a combined resolution by Sir Edward Grigg and Mr. Winston Churchill urging the fullest building up of national defences regardless of the expense which was carried unanimously.

Mr. Chamberlain said: "All things mentioned in the resolution had already been undertaken by the Government and if everybody is willing to disarm we are willing to disarm, but since others are not disarming we must fill up the gaps in our defences in order to make the country safe, preserve the Empire and fulfil our obligations to other nations."

SUPPORT OF LEAGUE

We are not supporting the League for the sake of doing so; we are supporting the League because we believe that through it we may be able to prevent war and establish peace by collective action. If the League cannot do that then it is not going to fulfill the function we expect, but we must be satisfied that it cannot do that before abandoning what seems at present the only hope of establishing permanent peace in the world."

Referring to the financial aspect Mr. Chamberlain said: "My duty first is to ensure safety and then consider the wealth of the nation."

CUBS DEFEAT TIGERS

New York, Oct. 2. Detroit's hopes of a world pennant sustained a severe blow to-day when the Tigers suffered a reverse in the World Baseball Series which opened at Wrigley Field before packed stands.

The Chicago Cubs, winners of the National League, won from the Tigers, the American League champions, by three runs to none.

meet expenditure. The upshot of H.E.'s explanation was the claim that "such prior reference to the Secretary of State is in no way either a usurpation or an abridgment of the constitutional powers of the Council." Fully aware that the Colony is governed from Whitehall and that Colonial Governors sit at the end of a wire from that well-known thoroughfare, the ordinary public will dismiss the whole discussion as "Much Ado About Nothing." The result of two days' speeches may be summarised as follows:—

"The Government: We have cut expenditure to the bone."
"The Unofficial Members: It's nothing to what you will have to do next year."

NEW CHIEF OF STAFF

U. S. Appointment

Washington, Oct. 3. President Roosevelt has appointed Major-General Malin Craig to be Chief of Staff of the United States Army in succession to General MacArthur who is retiring on December 15, in order to organise the defences of the new Commonwealth Government of the Philippines.

Major-General Malin Craig saw service in France and has been in command of the American Ninth Corps Area since 1930.

ATHLETES FROM MALAYA

Welcomed Locally

The Malayan Contingent of 140 athletes for the China Olympic meeting to be held at Shanghai on October 10, arrived yesterday at day-break, when a party from the Hong Kong Nanyang Chinese Association welcomed them at the Kowloon Wharf.

A reception was later held at the Hotel Cecil, and among those present to welcome were Mr. Auw Boon Haw, the Tiger Palm King, Mr. U. Tat Chee the President of the Hong Kong Nanyang Chinese Association, Messrs. R. C. H. Lim, Khoo Leong Hoe, S. B. Tan, S. C. Chang, Wee Tong Lee, Ong Siong Ho and See Wei Man, Mr. and Mrs. Phoon and many others.

In his speech, the President of the Hong Kong Nanyang Chinese Association, welcomed the Malayan Party and wished them every success. He expressed a hope that they would bring back with them to Malaya, the honour which they have gained elsewhere.

CRICKET NOTES

The Interport

(BY "ADREM")

The Hong Kong Cricket Club have now made definite arrangements regarding the Interport. Club secretaries have been circulated, asking for names of players who are recommended for the Interport trials. A new departure from the general rule is being effected this season in that the Selection Committee will decide which of the players are to be invited for net practice and to participate in the trial games.

Net practice will commence on October 7, and trial matches will be held on:—

Thursday, October 10
Saturday, October 12
Saturday, October 19
Saturday, October 26
(An XI v. The Rest)
Saturday, November 2
(H.K. v. The Rest)

THE WELSH TEAM

London, Oct. 3.

The Welsh football team for their international match against Scotland at Cardiff on Saturday will be as follows:—

John (Sheffield United); Lawrence (Swansea), John (Arsenal); Murphy (West Bromwich); Griffiths (Middlesbrough); Richards, Phillips, and B. Jones (Wolverhampton); Glover (Grimsby); L. Jones (Coventry) and Robbins (West Bromwich).

Reuter.

GYMKHANA HEATS

In connection with the forthcoming Gymkhana of the Hong Kong Volunteer Mounted Section the following qualified for the final in the jumping event.

A. E. Potts 2, Miss Betty Fare 5, Mrs. Wilson 6, Mr. Ferguson 8, Mr. C. Gregory 12, Dr. J. C. McGown 15, Mr. Macnamara 16 and Mr. Henrique 2 points.

SON FOR GOEBBELS

(Special to the "Hong Kong Daily Press" (Copyright).)

Berlin, Oct. 2. Mrs. Goebbels, the wife of the Propaganda Minister, gave birth to a son on Wednesday afternoon. Transocean Kuo Min.

NEW AIR LINE BLAZED

Imperial Airways' Survey

Engaged on a survey flight from Penang for the Imperial Airways, a four-engine liner of the Diana type, made a safe landing at the Kai Tak Aerodrome, piloted by Captain W. Armstrong. The machine was met by a party of local officials, including the Adjutant of the Royal Air Force, Hong Kong Base.

When interviewed, the airman stated that they had made a satisfactory flight.

Besides the pilot, there are three other members of the crew. The flight from Penang was made via Saigon, from whence they commenced a single hop to the Colony early yesterday morning.

FRIENDLY SOCCER

St. Joseph's Beaten

In a friendly football game played at the Navy ground Causeway Bay yesterday, St. Joseph's College lost to the Canton Chinese Federation by the only goal scored by Yeung Sui Yik in the first half after a clever combined movement by the Chinese on the right.

The game was very keenly and evenly contested throughout and the low score reflects very highly on the standard of play.

The Chinese were well served by their defence, their first-time clearances being a feature of the game. Their forwards were not in a happy mood and missed many chances of increasing their lead.

The Collegians on the other hand were quick on their feet and if their consistency had been kept throughout they might well have shared the spoils.

Souza in goal brought off several spectacular saves especially in the second half while the forwards and defence were also in the limelight.

On the whole a draw would have been a fair reflection on the play.

AQUATICS

Tommy Britton Wins

Shanghai, Oct. 2.

Tommy Britton, the young Shanghai Interporter, who with W. Ward, was beaten by Chan Chan-hing in the 50 yards dash at the V.R.C., Hong Kong, in the recent Interport, fully avenged that defeat to-day when he took the decision from the Chinese swimmer in a meet held here.

These two brilliant sprint swimmers met again at the Foreign Y.M.C.A. where the Association fielded a strong team against the combined Chinese of Hong Kong and Canton.

Britton flashed brilliant form to beat Chan Chan-hing and thus reverse the Interport decision.

The surprise of the evening was the swimming of Starkovsky who pressed the Hongkongite, Chan Chan-hing, in the 100 metre for the Colony visitor to establish a new national record.

Yeung Sau-king, the Chinese girl-champion from Hong Kong, broke the national record for the 50 metres which she covered in 36.7 secs. She encountered very little competition, otherwise she might have reduced the previous time by a considerable margin. No foreigners competed in this event.

RESULTS

The principal results were: 50 Metres Free Style.—1, T. Britton; 2, Chan Chan-hing; 3, T. Paget. Time: 29.1/10 secs. 100 Metres Breast Stroke.—1, Woo Kow-sung; 2, Chung Sau-kun; 3, Kan Yee-lin. Time: 1 min. 26.2/5 secs. 100 Metres Free Style.—1, Chan Chan-hing; 2, Starkovsky; 3, Norman Lee. Time: 66.7 secs. (New National Record).

200 Metres Free Style Relay.—1, Foreign Y.M.C.A. Time: 1 min 57.6 secs.

Water Polo.—Combined Chinese beat Y.M.C.A. by four goals to two. 50 Metres.—Ladies.—1, Yeung Sau-king. Time: 36.7 secs. (New National Record). Reuter.

STRAIGHT FROM THE SHOULDER

Incidents On Hong Kong: Kowloon Frontier

WAR CLOUDS GATHER IN ISLAND-MAINLAND DISPUTE

Peak Firm; (But! Kowloon Says No)

(BY NO QUARTER)

VICTORIA-THURSDAY

Several unfortunate incidents on the Hong Kong-Kowloon Frontier have given rise to a feeling of tension. On Saturday last, a fracas was reported after a Hong Kong bacon cutter had spat into the beer of a Kowloon Tripe-founder, and it is the grounds of this that Kowloon claim reparations. A Hong Kong shroff was thrown downstairs when presenting his bill at a Kowloon residence, but this is so much an every day matter that it is not viewed with much concern, or as having any particular political significance. Far more serious is the action of a Kowloon bowler, who, when playing against a Hong Kong club, deliberately substituted a small white rubber ball instead of the normal wood. "It is a grave insult to Island Bowls," said a reputable commentator yesterday.

WILL KOWLOON BOWLERS LEAVE THE LEAGUE?

KOWLOON: LATER

Kowloon bowling circles are seething with discontent at the allegedly arrogant attitude of the Island woodsters. Several of the more extreme bowlers counselled immediate secession from the League as a protest against such treatment of a harmless joke. Mr. Jack Toucher, Strong Man of the powerful "Brothers of the Bias" society stated:—"No amount of intimidation is going to prevent Kowloon woods from rolling onwards to their destiny."

HONG KONG: EARLIER

A Siberian organ-grinder has been arrested and executed for boiling an egg without a license. Information is eagerly sought on both sides of the harbour as to the correct interpretation of this new aspect of the situation. Mr. Jack Toucher is expected to make a statement shortly.

Rumours that Kowloon bowlers have been using the Ferries to import explosive bowls with a view to damaging Hong Kong rinks are declared to be unfounded.

TAILPIECE

TO MY DIVINITY, WHO PERSISTS IN SLIMMING

There is balm in the touch of her fingers.
There's a thrill in the glance of her eyes.
And the only objection that lingers
Is her infinitesimal size.

She is thin as the breath of an oyster.
And mistakenly driven, I think,
To resist the temptation to royster,
To eat, and be merry, and drink.

But imagine the fun that she misses!

We could snoop over soup;
We could dream over bream;
We could muse over stews,
Take our ease over cheese.
Persevere over beer,
And Discant on Chianti,
Compare it with Claret,
And finish with Rhenish.

Imagine the fun that she misses,
And pardon my boldness in thinking
That though I am charmed by her kisses,
I far prefer EATING AND DRINKING.

LOCAL AND GENERAL

In our report of the new Bank building yesterday we said that Mr. J. Henshilwood was General Manager of Messrs. Chudds of London. Mr. Henshilwood, represents the well-known firm of Chudds and we much regret the error. Mr. L. B. Woolley is from Messrs. Roney, Ltd., London, and not Renee as reported yesterday.

Five cases of enteric fever and one of cerebro-spinal fever were reported for the 24 hours ended on October 2.

Local estate to the value of \$3,500 was left by Sun Wa, alias Shun Wing-Kwong, broker, late of 232 Hollywood Road, who died at the Tang Wah Hospital on July 18, 1935. Letters of administration to the estate were granted to Lam Wo-sun, widow.

The forthcoming wedding is announced of Mr. Fred Edmund Tomkins, clerk of Palm Court, Kowloon, and Miss Mary Ann Kirkwood, of 24 Mindoro Street, Manila, who is en route to the Colony per s.s. President Coolidge.

Mr. D. Lucas, of 21 Granville Road has reported to the police that about 9 a.m. on Tuesday he

HOME RUGGER

London, October 3.

The Jubilee Fund rugby football match between London and the Combined Services resulted in a win for the latter by 18 points to 12.

Reuter.

BOMBING PLANES ACTIVE IN ADOWA AND ADIGRAT

Italian Troops Advance

CONSULAR OFFICIAL UNDER ARREST

Big Push Expected To-day

"WAR HAS STARTED. ADOWA AND ADIGRAT IN THE NORTH OF THE PROVINCE OF TIGRE HAVE BEEN BOMBARDED. HUNDREDS ARE KILLED."

This was the Ethiopian appeal to Geneva reported in a British Wireless message last night, which added that in Rome the Italian Commander-in-Chief in East Africa had ordered into action all troops occupying advanced positions beyond our lines.

Adowa and Adigrat, which are reported to have been aerially bombed, are across the Eritrean frontier, and a battle is said to be in progress at Agame between the two places.

There is every indication that war has begun. It is expected that the Italians will attack on all fronts to-day when the Italian representative at Addis Ababa will have departed from the city. With the news of the bombing at Adowa, it is reported that the Italian Consul there has been arrested.

Negus Appeals To League

BOMBING REPORTS

Geneva, Oct. 3. Abyssinia has protested to the League against Italian bombardment at Adowa.

The protest states that the aerial bombardment at Adowa caused loss of life and damage to property and that the action continues.

Italian troops attacked Adowa and numerous casualties have been suffered.

The note from the Negus states that Adigrat was also bombed. A battle is proceeding in the province of Agame. *Reuter*

ITALIANS DEFEATED

Addis Ababa, Oct. 3. It is stated that Italian troops advancing to Agame between Adowa and Adigrat have been defeated. *Reuter*

COUNTRY EXCITED

Addis Ababa, Oct. 3. The country is seething with excitement as news is spreading like wild fire that the Italians have crossed the frontier.

General mobilisation will be proclaimed at 11 a.m. marked by an important ceremony. An announcement will be read from the balcony of the Emperor's Palace.

The Grand Chamberlain will then proceed to the main square accompanied by seven drummers and the drums will be beaten for ten minutes, after which the Grand Chamberlain will shout, "Listen to the Government decree." He will read the proclamation, which will be afterwards read by town criers throughout the capital towns and villages.

FOREIGNERS PREPARE

Foreigners are preparing for all eventualities. For example, the large Greek colony have already, immediately war is declared, to transfer to tents at Bichofou, the health resort near the capital. *Reuter*

Mobilisation Proclaimed

Addis Ababa, Oct. 3. General mobilisation has been proclaimed. Concentration has been ordered at Dessye on October 12. This is the headquarters of the Crown Prince.

The Government denies that fighting has occurred in the neighbourhood of Moussali. *Reuter*

ITALIAN MEASURES

Geneva, Oct. 3. Italy has informed the League that in view of the Abyssinian general mobilisation and important troop movements, she has ordered the Commander-in-Chief, General del Bono, to take self-defence measures involving occupation of strategic points. *Reuter*

FIGHT FOR COUNTRY

Addis Ababa, Oct. 3. "For the second time Italy prepares to invade our territory. World opinion and God will be with us in the fight for Emperor and country," shouted Ligaba Tasso, Grand Chamberlain of the Ethiopian Court after reading the proclamation of general mobilisation. *Reuter*

MUSSOLINI DENOUNCED IN FRANCE

Toulouse, Oct. 3.

Shouts of "Down with Mussolini and War" were raised by a crowd in a railway station demonstrating against a party of Italians who were leaving for Italy under the mobilisation orders. Several were injured and an Italian consulate official had to be given police protection.

ONLY FEW LOYAL

Trouble broke out when the local population heard that a contingent of fifty Italians were going to Rome under orders to report there. The rumour quickly spread that the contingent were intended for the Ethiopian campaign and a large crowd of demonstrators invaded the platform and tried to prevent the contingent from leaving. A large force of police was rushed to the scene, and a number were injured, though not seriously, in the struggles. It is learned that although four thousand recall orders were sent to Italians in the Toulouse district which is estimated to number over thirty thousand, up till now only fifty of them have obeyed.

ATTACK ON ALL FRONTS

It is expected that the Italians will attack on all fronts to-morrow and an air raid on Addis Ababa is also feared.

It is also expected that the Italian Ambassador, Count Vinti, will be handed his passports to-day and leave for Djibouti to-morrow.

CONSUL ARRESTED

The Italian Consul at Adowa is reported to have been arrested by Governor Ras Seyum. The Geneva League Council will be convened next Saturday morning. *Reuter*

WAR NOW BEGUN

London, Oct. 3. There is every indication that the Italo-Abyssinian war has now begun, the Ethiopian Emperor has informed the League, communicating a telegram from Ras Seyum (Governor) which said that Italian aeroplanes are bombarding Adowa and Adigrat, causing numerous victims among the civilians, including women and children, and destroying many houses. The message adds that a battle is proceeding in the province of Agame. *Reuter*

SUPPORT FOR SANCTIONS

London, Oct. 3. Endorsing the Government's policy in the Italo-Abyssinian dispute at a large meeting of Opposition Liberals at the National Liberal Club, Sir Herbert Samuel speaking on sanctions opined that



General Emilio del Bono, Commander-in-Chief, has received orders from Rome to advance to strategic points as a measure of self-defence.

ITALY'S NOTE TO THE LEAGUE

London, October 3.

The Italian note to the League, signed by Signor Surich, says: "I have the honour to communicate the following:—A warlike and aggressive spirit has developed in Ethiopia among the leaders and tribesmen who have long been insistently demanding war with Italy and have succeeded in imposing it. It has found its latest and complete expression in the order for general mobilisation announced by the Emperor in his telegram of September 28. That order represents a direct and immediate threat to Italian troops with aggressing circumstances of the creation of a neutral zone announced by Addis Ababa with spurious explanations, which is in reality no more than a strategic move intended to facilitate the assembly and preparations of Abyssinian troops."

"The Italian Government has had the honour to furnish in its memorandum submitted on September 4 documentary evidence of continual and sanguinary aggression to which Italy has been subjected in recent decades. With the order for general mobilisation that aggression has assumed larger proportions and wider scope, manifestly involving grave and immediate dangers against which it is essential for elementary reasons of security to take action without delay."

"Confronted by this situation, the Italian Government has found itself pledged to authorise its high command in Ethiopia to take necessary measures of advance."

British Wireless.

The Commons would support any measures that are effective and assured a sufficiently powerful body of general support. *Reuter*

TRAITORS WARNED

Addis Ababa, Oct. 3.

The Italian Legation staff is leaving to-morrow by train for Djibouti.

"Anti-aircraft guns are being concentrated round the railway station. Warnings have been issued to all spies and any Abyssinian who fails to respond to the country's call that they will be immediately executed."

There is considerable anti-foreign feeling among the ignorant sections of the population. *Reuter*

GENERAL MOBILISATION

Addis Ababa, Oct. 2.

The proclamation of general mobilisation is awaited hourly here in consequence of the occupation of Abyssinia by Italians mostly native troops, which from the accounts reaching the capital appear to be preparing a base for a big advance.

Fifty thousand native troops are said to be engaged in building roads and constructing dug-outs. Great difficulties are being experienced with the water supply. Up till now it is officially stated that no action has been taken by the Abyssinian army.

"A detachment of French native troops has been despatched by the Governor to protect the frontier of French Somaliland which is adjacent to the region occupied by Italians, the head quarters of the French troops being Karkaro."

General mobilisation will be proclaimed in Abyssinia on Thursday morning at 11 o'clock according to an official announcement issued on Wednesday evening. *Transocean Kuo Min*

(Early Abyssinian Cables on Page 12)

MUSSOLINI SPEAKS TO THE NATION

Italian Point Of View

(Special to the "Hong Kong Daily Press" (Copyright).)

Rome, Oct. 2.

"Men and women of all Italy, Italians on the other side of the Alps and across the seas," began Mussolini when speaking from the balcony of the Palazzo Venezia to an immense Fascist demonstration of hundreds of thousands that stood wedged shoulder to shoulder in the public square square below.

"A solemn hour for the fatherland is dawning. Twenty million Italians are assembled at this moment all over Italy. This is the most gigantic demonstration known in human history—twenty million hearts but one thought. This demonstration means that Italy and Fascism are one. For months past the wheel of fate has been moving faster and faster towards one single goal, and it is not only the Army that is marching towards that goal, but also 44 million Italians are marching in step."

"All are united because they feel that they are the victims of the greatest injustice which denies us the place in the sun. Many Italians were against it, but through participation in the world war Italy lost 670 thousand dead, 400 thousand crippled and one million wounded, and when at the end the Powers assembled to conclude a deplorable peace, only the crumbs of a great colonial booty of the others fell to our share."

PATIENCE EXHAUSTED

"For thirteen years we have been patient while the circle was closing in around us and threatened to choke us. With Abyssinia we have been patient for forty years. Now we have had enough. I dare to believe that the real French people would endorse the sanctions against us. Six thousand who died on the field of Eligny, whose bravery commanded the admiration of everybody, would turn in their graves. Until I have had proof to the contrary, I refuse to believe that the British people want bloodshed and see Europe plunged into war to defend the African people who are barbaric and not worthy of the name of civilised people."

"Economic sanctions would meet with our readiness to sacrifice our calmness. Military measures will be answered with military measures and to war we will reply with war, so let nobody imagine we will give in, for a people who are jealous of its honour and its future can take no other attitude."

"Let me say with emphasis to every Italian that he have done everything to prevent a colonial conflict from developing into a European conflict, and never in history has the Italian people demonstrated more strongly its determination and character."

ITALIAN OFFENSIVE REPORTS

Denials In Rome

(Special to "Hong Kong Daily Press" (Copyright).)

(By Telegraph, Copyright, Telegraphic Messages, Ordinance, 189, Received, October 3, 4.30 p.m.)

Rome, October 3. The assertion made by the Emperor of Abyssinia in a message to the League of Nations Secretariat that the Italian offensive against Abyssinia has already commenced, is strictly denied by official quarters here.

"The Italian troops merely executed certain movements in order to take up better defensive positions in view of the aggressive and provocative attitude shown by the Abyssinians," a Foreign Ministry spokesman told the Press, declaring that the Abyssinians evidently did not withdraw their troops to positions 39 kilometres from the frontier as promised to the League of Nations, as the Italian advance posts could see the Abyssinians in close proximity at many places.

After denying the rumours that clashes have already taken place between the Italians and the Abyssinians, the official took great pains to point out that the Italian "civil mobilisation" was in no way identical with the military mobilisation against Abyssinia. *Transocean Kuo Min*

"The Italy of the Fascist revolution and 'Vittorio Veneto' arises in unshakable determination to the call to our soldiers who are about to go into battle. This cry is the call of justice and victory." *Transocean Kuo Min*

CIVIL MOBILISATION

Rome, Oct. 2.

More than 10 million Italians left work promptly at 3 p.m. on Wednesday, when wireless, sirens on ships in port, buzzers of all factory buildings, bells in all churches throughout the land and colonies across the seas joined the chorus which preconcerted the signal for "civil mobilisation," which as a radio announcer said, was to serve as plebiscite to demonstrate that the whole of the Italian people endorses the decision of the expedition to East Africa, and confirms the national desire for expansion, as well as to protest against the resistance offered by foreign powers to the realisation of these plans.

All factories, offices and shops closed, the workers at once proceeding to their appointed places. Flags were hung out from every window, all public buildings were illuminated, trams and buses were filled with blackshirts and militia soldiery in full uniform marched along the main thoroughfares, while the wireless broadcasting patriotic songs and warlike marches, raised the fervour of the crowds to white heat.

FASCIST WAR SONGS

Everywhere the multitude joined in singing Fascist war songs. The air was thick with aeroplanes circling above the demonstrators. Placards displayed at all prominent places, reproduced the Duce's words, "a regime which is not an episode, but an epoch that doesn't bend before surfeited arrogance."

This vast demonstration, organised entirely by the Fascist Party aims at showing the world that all Italy is behind Mussolini.

By 6 o'clock on the 15th, every man woman and youth, is required to be in place, all of them to maintain perfect discipline. The climax was reached at 7 p.m., when Mussolini began addressing the nation from the Palazzo Venezia, telling what the Government was about to undertake at this critical hour in the nation's history. *Transocean Kuo Min*

JAPAN TO MAINTAIN NEUTRALITY

Tokyo, Oct. 3.

Japan will maintain neutrality in regard to the Italo-Abyssinian hostilities, it is declared in well-informed diplomatic circles.

It is pointed out that as Japan is no longer a member of the League she is under no further obligations should the League decide to apply sanctions against Italy. *Reuter*

GREEK SHIPPING TO BE DIVERTED

Athens, October 3.

Greek shipowners have instructed their captains not to take any cargoes to or from Italy and also instructed Greek shipping in the Far East to return via the Cape and not the Suez Canal.

Piraeus insurance brokers are asking for increased premiums on certain Mediterranean "danger zones" especially in the neighbourhood of Italian and Egyptian waters. *Reuter*

EGYPT DELIBERATES

(Special to the "Hong Kong Daily Press" (Copyright).)

Memel, Oct. 2.

The counting of votes cast in the Diet election promises to be an extremely slow procedure and it is not expected that the results will be available before Tuesday next week. Wednesday's bundles of voting slips were opened and compared with the electoral lists while on Thursday the slips will be scrutinised in order to determine which are valid. *Transocean Kuo Min*



Gordon's GIN

you know what you're drinking

NO COLOURING MATTER
NO INJURIOUS INGREDIENTS

WHITEST PUREST & BEST

The Largest Gin Distillers in the World

THE RUMBLE OF WAR

London Market Reactions

London, October 3.

The instantaneous response of almost all the commodities to last night's remarkable spurt in the American markets kept London and Liverpool traders in a state of barely suppressed excitement since early morning when they hurriedly deserted their breakfast tables in order to acquaint themselves with the latest developments in the Ethiopian front.

Minute by minute came fresh reports of the disturbances which were increasingly assuming the character of war dispatches with the result that the commodities were subjected alternatively to a speculative war scare, buying, profit-taking, selling and realising.

PRICE MOVEMENTS

Observers are hardly able to keep pace with the price movements in the various sections and are only capable of picking out the outstanding features among which was a 15 point rise in American cotton futures. A sharp rise in wheat predominated while sugar, so long a despair in trade, showed remarkable firmness amid unusual activity. Rubber strengthened an eighth of a penny and base metals, with the natural exception of tin, maintained the firmness characteristic of the past weeks. Elsewhere, such lesser commodities as oils, ground nuts, and figs, etc. were reflected in the general trend. *Reuter*

SILVER MARKET

(From Our Own Correspondent)

London, October 3.

London Silver prices to-day were up 1/16 as follows:—
Oct. 2. Oct. 3.
Spot 29-3/8 29-7/16
Forward 29-7/16 29-1/2
London on New York cross-rate at 2 p.m. to-day was 4.9012 compared with 4.9025 at closing yesterday.

SINO-JAPANESE DISPUTE

Nanking, October 3.

Chinese reports expressed the hope that a local settlement may be reached regarding the Sino-Japanese dispute in Swatow. Negotiations have so far been centred in Canton, with the authorities here maintaining complete silence. *Reuter*

H.M.S. BERWICK AT ADEN

Aden, October 3.

The British cruiser, H.M.S. Berwick has arrived from China. *Reuter*

RECENT EVENTS AT GENEVA

Report To British Cabinet

London, Oct. 2.

At a meeting of the British Cabinet to-day, the Minister for League Affairs, Mr. Anthony Eden, reported fully on the recent events at Geneva, and his colleagues endorsed his actions as British representative on the League Council and its committees in connection with the Italo-Ethiopian dispute.

It is not supposed that the Cabinet concerned itself with the general policy of the British Government towards the dispute or the League, since that has been already laid down and enunciated in the clearest possible terms by the Foreign Secretary.

According to present arrangements Mr. Eden will leave for Geneva by train to-morrow and should reach Geneva on Friday morning. The Committee of Thirteen meets to-morrow to begin consideration of drafts upon which experts have been working for the last few days with a view to preparation of the Committee's report under Article 15 of the Covenant. *British Wireless*

BRITISH CABINET MEET

London, Oct. 2.

While it is believed that the Cabinet meeting this morning found itself obliged to wait for further developments from Geneva, there is reason to think that an arrangement has been made by all Ministers, to hold themselves in readiness for any emergency.

Meanwhile full authority has been given to the Defence departments to take such measures as might be required by circumstances, in consultation with the Prime Minister.

This afternoon, Mr. Stanley Baldwin held consultations with all three Defence Ministers, the War Minister, the Lord of the Admiralty and the Air Minister. Mr. Neville Chamberlain, the Chancellor of the Exchequer, Sir Samuel Hoare, Mr. Walter Runciman, Mr. Malcolm MacDonald and Sir John Simon were also present.

Britain's Air Chief, Sir Edward Ellington, and the First Sea Lord, Sir Ernie Charlesfield and Sir Robert Vansittart were among the high departmental officials who also attended. *Reuter*

ITALO-FRENCH TALK

(Special to the "Hong Kong Daily Press" (Copyright).)

Paris, Oct. 2.

The Italian Ambassador, Cerruti, was again received on Wednesday by M. Laval but no announcement was made as to the outcome of the conversation. *Transocean Kuo Min*

COLONIAL SECRETARY REPLIES TO UNOFFICIALS

(Continued from Page 7.)

help to restore confidence which has been badly shaken through the prevalence of robbery with violence in far-off districts in the Territories.

Government's decision to prosecute advanced public works of great magnitude to their conclusion is gratifying and must be endorsed as entirely satisfactory. There need be no abandonment of hope for the future when it is realised that Government pursues its policy of the judicious and discriminate employment of labour, preferably in works of a reproductive character, and for the benefit of the public in whose safeguarding its destiny partly lies.

FINANCIAL DISTRESS

Instead of a timidity that might have dictated the holding up of works of great public utility and for the protection of Society, the Government is continuing major public works at an expenditure in the aggregate of more than 18 million dollars. This can be set down to its credit. Added to these large public works are such as have been projected, initiated and completed by private enterprise with subscribed money. Only a few of the most important ones need be mentioned. Like the deepening of the port, the electric supply schemes on both sides of the harbour, and the bulk transportation services on land and by water. These public and private achievements reflect creditably on the skill and exemplary private achievements reflect creditably on the skill and exemplary spirit both of the Government and of its inhabitants, and proclaim that Hong Kong and its dependencies, despite extraneous influences, continue to retain their vitality and a spirit of courage and enterprise that cannot easily be subdued.

In conclusion, I wish to make no more than a brief reference to Exchange and to the financial distress evident on all sides in the Colony, accentuated and to some considerable extent, even brought about by the high Exchange. To justify this association of acute financial distress with a high Exchange I have only to point to the languishing state of our industries and the frozen condition of our capital investments which have come to a crisis in the course of the last twelve months—a period which everybody recognises, has synchronised with high Exchange and abnormally high in relation to China.

Owing to the arrival of Sir Frederick Leith-Ross in China, I realise that this matter is, so to speak, sub judice. But it is evident that the level of Exchange in the Colony in relation to China's Exchange and to world prices generally, is an important factor in the commercial and industrial prosperity of Hong Kong and plays an important part in any budget but even more so, in the long run, in regard to revenue. I therefore hope that the benefits of Sir Frederick Leith-Ross's expert advice and great experience will be made available for this Colony as well as China and that he will in due time be invited to visit Hong Kong in person.

POSTAL CHARGES

Reduction Urged

The Hon. Mr. J. J. Peterson said:—
Sir,—In the absence from the Colony of the Hon. Mr. Bell I have been asked to say on behalf of the Committee of the Chamber of Commerce, which he represents, that the Committee finds itself in general agreement with the observations made in this debate by the Hon. Sir William Shenton.

The speech of the Honourable Colonial Secretary in introducing the Budget indicated that the policy of the Government at present is to curtail expenditure; the only question is whether the proposed reductions go far enough. We agree with Sir William Shenton that they do not.

Economic nationalism all over the world restricts the free flow of trade, and while the disease continues with its present virulence Hong Kong, which has been built up on the opposite policy, is bound to suffer. Circumstances compel us to reconsider from top to bottom the scale of an adminis-

tration which has grown up in more prosperous days.

The Committee of the Chamber of Commerce fully appreciate the Government's unwillingness to sacrifice any source of revenue in times like these, nevertheless they hope that opportunity will be taken to make such readjustments as will lead to a reduction in charges on shipping. Although still severely depressed, shipping is likely to be our mainstay in the years immediately ahead and should be encouraged as much as possible. The danger that work might be driven away from this port on account of charges higher than are levied elsewhere is obvious to everybody.

POSTAL CHARGES

The Chamber of Commerce also hopes to see a reduction in postal charges. High exchanges recently has not helped business, but it has helped the Government to meet its liabilities to other Administrations for postal services. Some readjustment seems to be due.

Looking around, as everyone is doing, for possibilities of economising, the Committee of the Chamber of Commerce also suggests that abolition of the Government telephone system might be considered. It scarcely seems an economic proposition to maintain a separate system to serve subscribers whose names occupy six pages in the Telephone Directory and it might be cheaper in the long run to add them to the system which serves 270 pages of subscribers. In the search for ways and means of reducing the cost of administration which must, I think, occupy a great deal of attention in the next few years, perhaps the Government will consider this suggestion.

THE COLONIAL SECRETARY

Fresh Burdens Avoided

The Acting Colonial Secretary, the Hon. Mr. R. A. D. Forrest, said:—

Sir,—The task of replying to the speeches on the Budget by the Unofficial Members has been considerably lightened for me by their appreciation of the difficulties of the Government and by their sympathetic realisation of the regret with which Government has found itself compelled to postpone many important items of public works. General satisfaction has been expressed at the Government's decision to avoid fresh burdens on the community, even at the cost of leaving undone many things which, as is the case of the town planning scheme for the City of Victoria and the sewer scheme for Yau-matli area, may be considered to be long overdue.

In dealing with the comments I leave aside for the moment two major points which Your Excellency has reserved for a more detailed answer.

The Senior Unofficial Member has referred in terms of eulogy to the anti-malarial work already accomplished, and Government is grateful for this appreciation. In this, and in so many other ways, Government depends for the success of any task on the enlightened co-operation of the public, and while Government agrees readily that it is possible for officials to show excessive zeal in enforcing regulations, it will be readily understood how much a successful campaign against the mosquito menace must depend on enforcement of regulations designed to that end. It has always been the policy of Government to regard its work in matters of hygiene as primarily educative and only secondarily coercive; but it must be evident that the greater the extent to which tact and persuasion replace prosecution for breaches of regulations, the greater the demands on the administrative department and its staff.

PESSIMISM DEPRECATED

Passing now to the criticism made by the Honourable Sir William Shenton, I would deprecate the more pessimistic view which he seems to take of the Colony's future. While it may be true that it would, in its immediate effect, rather add to the Government's financial difficulties than otherwise, a fall in dollar exchange, if it occurred, would be likely in the

long run to attract more business to the Colony and thus to broaden the basis of present revenue contributions.

While our trade figures give no scope for facile optimism, it may not be out of place to remark that the decline is largely a matter of exchange, and that the amount of goods handled has in many cases actually increased. In valuing the figures for the first seven months of this year showed an increase of 32 per cent. over the corresponding period for 1934. It may not be out of place also to remark that there is a tendency for local share prices to vary inversely with the dollar exchange rate, a tendency which is reinforced when the exchange market shows simultaneously increased activity; and that much of what appears as a slump in values is in reality the obverse of the late years of overtrading, when capital appreciation was a stronger factor in the determination of market price than investment yield.

RATES OF ALLOWANCES

Hon. Sir William Shenton may be assured that the question of rates of allowances to Government servants has already received attention, and that wherever the rates of allowances have been found to be capable of reduction they have been reduced. In particular, although by reason of its geographical situation, the item Transport of Government must continue to be a heavy one in this Colony, economies have been sought by reduction of the grade of passage provided. It has not been found possible on financial grounds, to adopt here more than a trifling measure of the recommendations for increased privileges made by the Plymouth Commission. The rates of travelling allowance inside the Colony have recently been reduced by General Order, and every effort is made to secure that they do no more than reimburse the officers with the minimum necessary expenses. Subsidence allowance rates have also been reviewed and reduced. Rent allowances, being on a sliding scale depending ultimately on the rents actually paid, have also been automatically reduced in those parts of the Colony where rents have fallen.

A reduction in expenditure without loss of efficiency is possible only when the expenditure has been in the past unnecessarily high; and while Government is reconciled to some departure from the high standard of efficiency set, it is obvious that the extent to which efficiency can be sacrificed is severely limited. It is therefore that vacancies are in many cases left unfilled, and that every effort is being made to substitute as quickly as it can be absorbed local for European labour.

POLICY NOT CHANGED

The suggestion, put forward by my honourable friend Dr. Kotewall, of a reduction in assessment tax was fully dealt with by His Excellency the Governor on the second reading of the 1935 Budget last year, and there is nothing that can be usefully added. Government's policy not having changed since then. It seems clear that this tax, as well as our indirect taxation, is borne proportionately by the migratory as well as the settled population of the Colony.

The Government has fully and frankly accepted the policy of replacing wherever possible European by Asiatic employees, but it must be evident that such a policy can show its full effect only gradually.

Government whole-heartedly concurs in the hope of a greater response to the appeal for funds to aid in popularising Hong Kong as a place of resort. Referring to the bathing pavilions whose retention is urged in connection with this scheme, I would say that it is Government's intention to allow them to remain as long as may possibly be, but that it will be appreciated that shipping and industrial development must have first claim on the North Point area. The opening up of other areas suitable for bathing has not been lost sight of, and any application from swimming clubs or similar societies for the use of such places will be considered sympathetically.

I cannot agree, however, that it is in accordance with Government's general policy to provide recreation grounds on commercial lines. I think it will be generally agreed that the profitability of such enterprises can safely be left to the judgment of the investing community, and I am advised that when a reasonable pro-

spect of a profitable investment exists the capital is rarely lacking.

RELATIONS WITH CANTON

The fostering of good relationships with Canton is necessarily a matter of much concern to this Government, and Government has, so far as lies in its power, taken the initiative by encouraging the exchange of visits between its officials and those in similar positions in Canton. It notes also with gratification a similar action, sponsored by the Honourable Mr. W. H. Bell, on the part of the Hong Kong General Chamber of Commerce, which, as commercial understanding is of prime importance, is even more a move in the right direction and merits all possible aid and encouragement from the Government.

The Honourable Member's suggestion regarding procedure on the presentation of future budgets deserves full consideration, and the helpful spirit in which it is offered is highly appreciated.

The contradiction in the Budget speech to which Honourable Mr. J. P. Braga draws attention in his opening paragraph is apparent rather than real. The opening, on Secretary of State's instructions, of seven more opium shops does not imply that the Colony will thereby increase even its gross revenue from the sale of opium, or even that it aims to do so. Rather it is to be interpreted as a further attempt to secure stricter control of a traffic recognised as undesirable with a view to its ultimate extinction; the shops to be opened are to take the place of thirteen licensed retailers, whose licences will be simultaneously terminated. It must be obvious that the termination of the monopoly would, so long as a demand exists, have the effect merely of handing over the trade entirely to illegitimate dealers, who already present a sufficiently formidable problem.

The reduction in the Medical Department's European staff—one nursing sister—is in consonance with Government's declared policy of utilising the services of Asiatics wherever possible.

BUS COMPANY'S AFFAIR

The Honourable Member's claim for further expenditure on the Railway frontage in Kowloon has already been dealt with in the introductory speech on the first reading (under the head of the Botanical and Forestry Department) and seems to call for no further comment.

The erection of shelters outside the Kowloon Hospital is a matter rather for the Bus Company than the Government, and it is in any case to be doubted whether the traffic would justify the expense.

The reduction in expenditure on street lighting is not to be interpreted that Government contemplates cutting down the amount of light, but merely that it has secured more favourable terms. In point of fact, experiments are, I am advised, at present in progress, and it is hoped to improve street lighting at very little additional cost.

The drainage of the Yau-matli and Homuntin areas has long been a recognised desideratum, but has, like more desirable projects, been postponed for better times. It involves works of considerable magnitude, and it is not considered that the number of persons likely to derive benefit from such a project justifies such expenses at the present.

ANTI-MALARIAL WORK

The Hon. Member will also have noted that a sum has been allocated for anti-malarial work on the Mainland, and an effort will be made to secure to Homuntin its due share of attention. In addition, the attention of the Head of the Sanitary Department will be directed to the problem; my information is to the effect that the only recent complaint of mosquito nuisance in Homuntin was traced to breeding on the premises of one of the residents, which again illustrates the need of co-operation on the part of the public.

The schedules for bus services are drawn up by the Inspector General of Police in consultation with the Companies concerned, and as the Honourable Member has been good enough to draw Government's attention to the inconvenience caused in this respect to Homuntin residents, the Inspector General of Police will be instructed to investigate the question.

The application of the New Territories Agricultural Association for further facilities for the marketing of New Territories produce in Kowloon is assured of sympathetic attention as soon as it is referred to

Government; but any construction of makeshifts for residence in an urban area would be regarded as a retrograde step with nothing to recommend it, and permission could hardly be granted. If, however, what is ultimately intended is that producers should be by some means brought into direct touch with consumers, any suggestions to that effect will be welcome.

ROADS AND BRIDGES

The improvement of the roads and bridges in the New Territories is undoubtedly a matter of much importance, and it is with great regret that Government finds it impracticable to allot to this item the funds which would permit it to be treated on an adequate scale. The urgency of the matter may, however, have been somewhat overstated by the Honourable Member, for the increased development of the New Territories which he envisages implies a degree of economic recovery in the Colony which would go far towards making available the requisite funds.

It is the intention of Government to proceed with the scheme, or rather with the schemes, for expansion of pig and poultry breeding in New Territories as and when funds permit. Mr. C. F. Strickland's report, to which the Honourable Member makes reference, though it does not refer specifically to these two activities, is closely concerned with them. At the present moment Government is engaged in exploring the possibility of obtaining locally an expert of the type required, an instance of the type of economy which, I am confident, will meet with the approval of all Honourable Members.

The Honourable Mr. Paterson has rightly called attention to the extent to which Hong Kong's difficulties are not of its own making, and Government is fully alive, as has been made abundantly clear, to the necessity for economy.

A CONSTANT CONCERN

Shipping, as the ultimate basis of the Colony's wealth and of Government's revenue, is naturally a constant concern; and I am advised that the charges for dues and services in Hong Kong are based on the Board of Trade rates, and compare very favourably with those of competing ports in the Far East. Reference might also be made to

(Continued on Page 11)

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DESIRABILITY OF FIXING EXCHANGE

(Continued from Page 10)

the fuller answer given by the Colonial Secretary in connection with the 1935 Budget, as recorded on page 180 of Hansard 1934. Every care is taken to ensure that competitive advantages shall not operate to the detriment of Hong Kong.

Turning now to the suggested review of postal charges, it must be remembered that three fifths of the outpayments in respect of carriage of mails are in local currency and are unaffected by exchange. The remaining two fifths are paid not in sterling but in international gold francs; the Hong Kong dollar has not during the past three years appreciated much in terms of this currency. Of the domestic expenditure of the department in wages and salaries only one fifth is based in sterling. The remainder is in local currency unaffected by exchange.

POSTAL RATES

The denominations of stamps use for the Empire and the Foreign letter rates, namely 10 cents and 20 cents are specially designed Jubilee stamps. Throughout the Empire it has been decided to use these issues until December 31st of this year and any local alteration of rates would involve a departure from this uniform policy. The 5 cent rate to China which is also served by a Jubilee stamp cannot be altered without reference to the Chinese Administration as the rate which is the same in both directions has been fixed by mutual agreement.

While these considerations affect the possibility of the reduction asked for, I would invite the Honourable Member's attention to the concession already granted this year in respect of air mail charges, a concession made at the cost of direct loss to Government. Inasmuch as the stamp revenue recovered falls to cover the direct expense of transit charges. It is proposed, nevertheless, that the question shall be brought up for further consideration early in 1936 in the light of the exchange situation as then existing.

The question of the maintenance of an independent Government telephone exchange was fully discussed in 1932 by the Retrenchment Commission, and I would invite the Honourable Member's attention to pages 7 and 36 of the Commission's Report. The position has not altered since then, and the peculiar situation of the Government system, with its constant intercommunication requiring something in the nature of a sub-exchange, and its very long connecting wires, render it extremely unlikely that the proposal to abandon the independent system would be economic.

DEMAND FOR ECONOMY

The dominant note of the speeches of the Unofficial Members has been the demand for economy, and although ample evidence of Government's concurrence in this wish was given in the speech with which the Budget was introduced, and although I have replied in that sense to specific criticisms in the speeches of the Honourable Members with which I have dealt, it seems, Sir, appropriate to conclude with an assurance reinforcing if there no effort to effect economic wherever practicable. Opportunities for economies occur not only in connection with the Appropriation Law but throughout the working year, and the necessity for utilizing these to the full has been impressed on all departments of the service, and from day to day not a few items of expenditure which might have received sanction in normal times are postponed or definitely rejected. These efforts will not be relaxed, and, conservatively as the Estimates have been framed, it may yet be that expenditure will be kept within even narrower bounds.

HIS EXCELLENCY

Careful And Kindly
Criticism

His Excellency the Officer Administering the Government, the Hon. Mr. N. L. Smith, said:—
Gentlemen,—It is, I hope, unnecessary for me to crave again for your indulgence as I did when I introduced the Budget three weeks ago. Everyone in this room

is aware of the further lamentable circumstances which have led to my occupation to-day of this seat and it is our earnest hope that we shall see the early return to duty both of Sir Thomas Southern and of Mr. Trotman.

I should like, if I may be allowed, to express on behalf of the Council our great admiration for the fortitude with which Sir Thomas, although obviously in considerable physical pain at our last meeting and only a few hours before undergoing his operation, remained in this chair until the end of a meeting of more than ordinary length.

I desire at the outset to thank the Unofficial members for their careful and generally kindly criticism of the Budget for 1936 as regards both the details and the larger principles. The acting Colonial Secretary, whom I venture to congratulate on the very able maiden speech which you have just heard, has covered most of the points at issue and it only remains for me at this final stage of the debate to touch upon a few questions which have not been covered already.

ACTION CRITICISED

On the principle of swallowing first what is the most unpalatable of the doses I should like to say that I am very sorry to think that Sir Henry Pollock, whose long service on this Council and intimate knowledge of procedure give very great weight to any considered judgment which he may express here, should apply the term "un-constitutional" to any action on the part of the Government leading up to the speech which I delivered three weeks ago in introducing the Budget. I should doubt whether the whole Colonial service contains any Administrator who is more jealous of the rights of the Legislative Council, and particularly of the Unofficial members of that Council, than Sir Thomas Southern whose absence to-day we so deeply deplore. In saying this I have no desire to shirk my own share in the responsibility as I was acting as Colonial Secretary at the time when the action now criticized was decided upon.

AN EXPLANATION

What happened was this. When the final figures for the 1936 Estimates were available it became clear that a deficit must be anticipated at the agreed exchange rate of 1/8. It then became immediately necessary to decide whether or not a salary cut should be forthwith recommended as from 1st January, 1936, and the Estimates of Expenditure revised and reprinted on that basis; and it was finally decided that a summary of the whole situation should be reported by telegraph to the Secretary of State and his sanction requested for mention to be made in the introductory speech of the possible necessity of such a salary revision in certain contingencies. Action on these lines was in due course approved by the Secretary of State who added however that the possibility of additional taxation, on the principle of equalizing sacrifices, should in his opinion be foreshadowed in the same speech. I trust that Honourable Members will agree with me that such prior reference of a matter of principle to the Secretary of State is in no way either a usurpation or an abridgement of the constitutional powers of this Council.

Having said this it is clearly impossible for me to attempt to foretell the principle upon which any system of salary cuts, if such become necessary, may have to be based. Secondly here is the general question of the use of surplus balances for the purpose of balancing annual Budgets. On this point there appears to be some disagreement among the Unofficial Members as the Honourable Sir William Ghenton thinks that we are encroaching too deeply upon these reserves while the Honourable Dr. Kotewall holds the view that we should use more of them.

RECURRENT REVENUE

The fixing of the round figure of ten million dollars, Gentlemen, was no doubt to some extent arbitrary; but once that figure is fixed the principles are simply those upon which any ordinary business would be prudently conducted. The recurrent services of Government, including Military contribution, must normally be met by the recurrent revenue that comes by way of taxation. If this shows a profit and taxes are reasonably light the balance can properly be used for non-recurrent expenditure, particularly the more

important items of Public Works Extraordinary Land Sales, if I may use an analogy familiar to many, are the equivalent of the Entrance Fees in a social club, and should go direct to Capital Account (so to speak) and not to Working Account; but apart from these it is simply a question of retrenchment or expansion, increase or decrease of taxation, as each seems proper to the Government and to this Council. The fact that in the past many years the Colony has been able to finance large non-recurrent schemes from income has perhaps tended to cloud the above general principles.

The Reserve Account, or Surplus Balances as we call it, should thus never be reduced to a dangerous level; but on the other hand it would be an improper sacrifice of the present taxpayer to posterity to build up excessive balances when either desirable public works remain undone or taxation could be reduced; and we thus arrive at the position, which may sound paradoxical at first sight, that to possess large surplus balances on the year's working is an eminently desirable thing; but to budget for such is generally improper.

FIXING EXCHANGE

The third question, which has not been touched upon in to-day's speeches, is the desirability of fixing exchange to cover the Government's sterling commitments. I suppose that every business man in the Colony must have thought, on hearing that the 1936 Budget could probably be balanced at a 1.10 dollar, that here was a simple way of insuring against loss. The subject is not an easy one to discuss in open debate but I would only say that the proposal was given the earnest consideration of the Government before it was decided that such a course, to which there are certain objections at any time, would be particularly undesirable at the present moment.

I would conclude by once more thanking both the Official and Unofficial Members of this Council for their tolerance and for their valuable assistance.

It has been proposed and seconded that a Bill intitled "An Ordinance to apply a sum not exceeding Twenty-three million eight hundred and forty thousand four hundred and sixteen Dollars to the Public Service of the year 1936" be read a second time.

BILL PASSED

The Bill was then read a third time and passed on being moved by the Hon. R. A. D. Forrest and seconded by the Hon. Mr. Edwin Taylor.

A Second and Third Reading of "A Bill to consolidate and amend the law regulating the registration of practitioners in medicine and surgery" was read and subsequently passed on being moved by the Attorney General the Hon. Mr. C. G. Alabaster and seconded by the Hon. Mr. R. A. D. Forrest.

TRIBUTE PAID

To Two Retiring
Members

His Excellency said:—
Gentlemen,—Before we adjourn I ask leave to make a personal statement. To-day's meeting is the last at which we shall have the benefit of the attendance of two members who in their respective spheres have won the esteem both of this Council and of the community at large. I refer to His Excellency Lieut-General Borrett and to the Honourable Dr. Kotewall. Of General Borrett I do not wish to say more than that we all genuinely regret that this Council and the Colony are to lose him after nearly three years of service here. General Officers Commanding come and go almost like the procession of the equinoxes, but I think it must be very long since the Colony had one who was more universally admired and more popular than General Borrett. We wish him all success and happiness in the future that lies before him.

DR. KOTEWALL

As regards Dr. Kotewall, it has been laid down, as Honourable Members are aware, that Unofficial Members of this Council are not to retain their seats beyond the period of two terms of four years except in very exceptional circumstances.

The Honourable Dr. Kotewall first assumed his seat on the Legis-

lative Council as long ago as 4th October, 1923, and was re-appointed for a further term of four years in 1927. On the expiration of that second term on October 4, 1931, a special dispensation was obtained from the Secretary of State and as a consequence Dr. Kotewall is, until to-morrow morning, still a member of this Council.

It is hardly necessary for me to say how much I personally and, I am sure this Council as a whole regret that the time has now come for him to leave it. I will not weary you, gentlemen, with a recital of the Boards and the Courts and the Commissions to which Dr. Kotewall has given his always valuable assistance. Until a week or two ago I was Secretary for Chinese Affairs in which post, as is natural, it is chiefly possible to assess the value of his services to the community. For those services I should like to express my own gratitude and the gratitude of the Government.

Eight years ago Dr. Kotewall received the signal honour from His Majesty of being made a Companion of the Most Distinguished Order of Saint Michael and Saint George. He is at present acting as a member of the Executive Council during the absence of Sir Shou-son Chow, having already acted in a similar capacity on no less than six previous occasions.

In making a speech like this I feel rather like one who delivers a funeral oration over someone who is still in perfect health. If so I hope that Dr. Kotewall will believe that, although the exigencies of our constitution deprive us of his further presence in this Council, it is the earnest wish of all of us that he will consider himself to be hardly more than at the outset of his public career.

The Unofficials

Sir Henry Pollock said:—
Sir,—On behalf of the Unofficial Members of this Council I desire to endorse all that you have said in regard to General Borrett.

We are very sorry that he is leaving us and wish him every success in his future career. As Senior Unofficial Member I endorse all that has been said by Your Excellency in praise of Dr. Kotewall's services to this Colony. As you have pointed out, Dr. Kotewall has been a Member of this Council since 1923, having received the exceptional honour of nomination to an Unofficial seat on this Council for a third term.

In February, 1927, following on the bestowal of Knighthood on Sir Joseph Kemp, and the Companionship of the Order of St. Michael and St. George on Dr. Kotewall, the then Governor, Sir Cecil Clementi, congratulated the two recipients of the New Year Honours jointly, in the following terms:—

"His Majesty's gracious act has evoked much pleasure throughout the Colony, but especially in this Council where we, who are colleagues of Sir Joseph Kemp and Dr. Kotewall, appreciate most fully how well these Honours have been won by distinguished merit, painstaking industry, sterling worth of character and very loyal and devoted services to Hong Kong."

As Senior Unofficial Member, I then said:—
"Dr. Kotewall has been the means of giving advice not only to the Government. Officials of this Colony but also to many members of the Chinese Community, who have sought his counsel. I myself have often experienced the benefit of the sound judgment I have had from him on various matters affecting the Chinese Community."

On the present occasion, I can only repeat what I then stated, except to add that, in the years which have intervened, I have learned to appreciate yet more fully Dr. Kotewall's abilities and his services to the Colony both in and outside of this Council and also in the Executive Council where, so much responsible hard work is put in by the Official and Unofficial Members alike.

As you have pointed out, Sir, Dr. Kotewall has several times acted as a Member of the Executive Council, and I hope that I may be permitted on behalf of all those who are acquainted with his record and his talents to express the hope that ere long Dr. Kotewall will attain to the dignity of a permanent seat upon the Executive Council.

(Continued on page 12)

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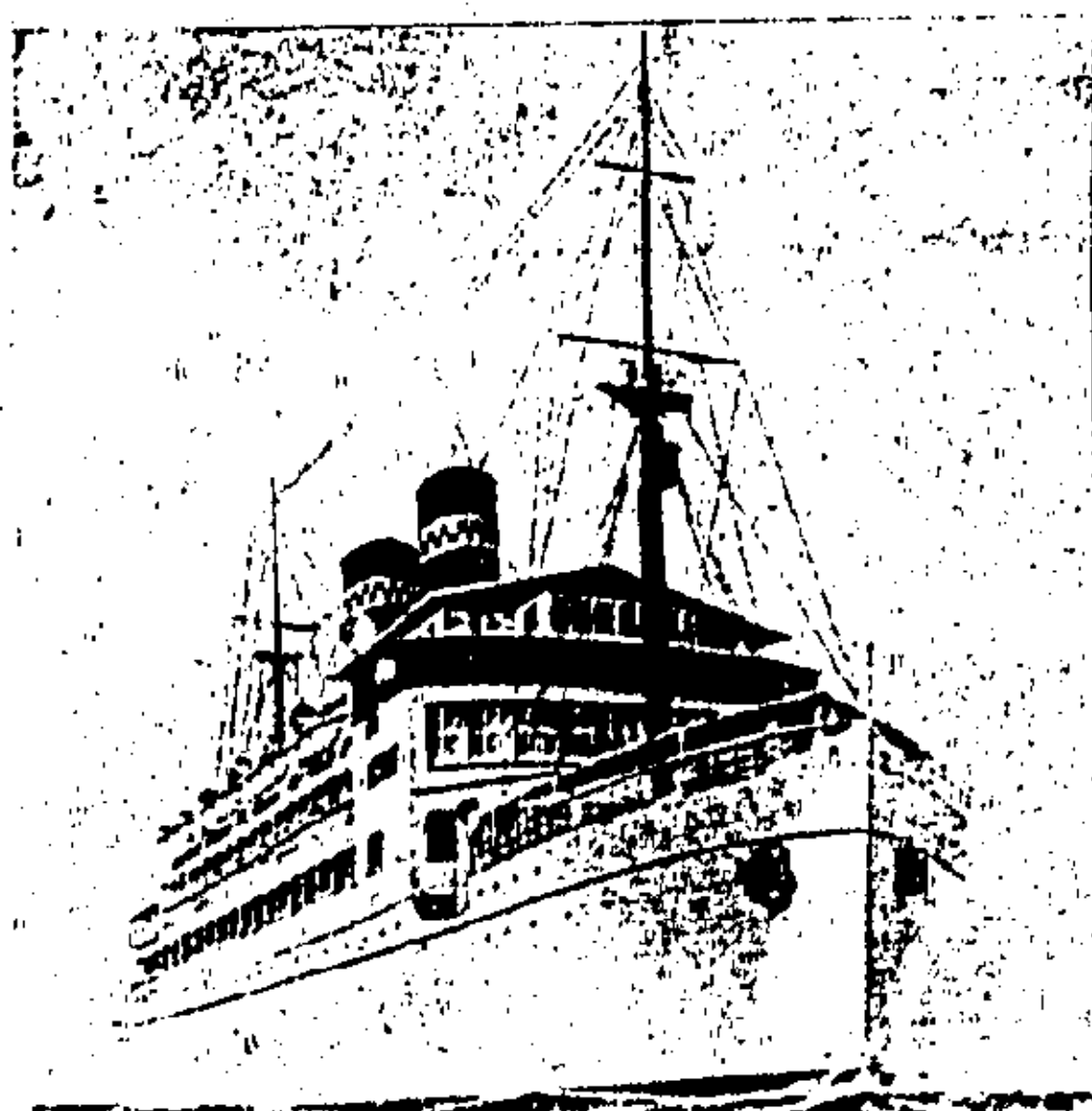
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Spot	19 cts. down 1 ct.
Nov./Dec.	19½ cts. down 1 ct.
Jan./Mar.	19½ cts. down 1 ct.
Apr./June	20½ cts. down 1 ct.
Market	Quiet.

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Messrs. H. B. Joseph & Co. received the following Straits currency Quotations from Singapore for Raw Rubber:-

Buyers	Sellers
Spot	18½ down 1 10½
Nov./Dec.	18½ Unch. 10½
Jan./Mar.	18½ Unch. 10½
Apr./June	20½ down 1 20½
Market	Dull.

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THE EXCHANGE MARKET

MESSRS. ROZA BROS

The price for Ready silver was unchanged yesterday at 29½ but the Forward rate rose 1/16 to 29 7/16. Advices reported China as having operated both ways. Speculators sold. The market closed steady. After the official fixing the American Treasury was reported to have bought at 1/16 over the quoted rates.

In America the rate was unchanged at 85½ for spot.

The London/New York cross-rate dropped to 4.90½ and the New York/London rate was also lower at 4.90½.

Market

Opened steady but later firmed up slightly. Towards lunch time the rates were a shade lower and the undertone was steady.

Sterling

Business was done shortly after the opening at 2/04 for November and near. The market then remained steady with sellers at 2/04, later offers at 2/0 11/16 were accepted for near and forward closing at 1 p.m. with sellers at 2/04 for September/December, buyers at 2/0 11/16 for September/December.

U.S. Dollars

Business was done during the course of the morning at 50 3/16 for forward delivery. Later 50 5/16 was also arranged for near and forward. The market closed at 1 p.m. with sellers at 50½ for near and 50 3/16 for forward buyers at 50 5/16 for near and forward.

Shanghai Dollars

Sellers were quoted at 13½ for near delivery.

Shanghai Market

Opened with sellers at 1/6 11/16 and then rose to 1/6½ for spot. The market closed at noon with sellers at 1/6 11/16 for near delivery. U.S. Dollars—opened with sellers at 38½ for near and closed at 38 3/16 for spot.

IN THE AFTERNOON

The market was dull in the afternoon.

Sterling

A small business was done at 2/0 11/16 for October delivery finishing with buyers at 2/04 for September/December sellers at 2/0 11/16 for November/January and probably October.

U.S. Dollars

A small business was done at 50½ for near delivery. The market closed with sellers at 50½ for near and 50 3/16 for December/January, buyers at 50 5/16 for near and probably 50½ December.

H. K. STOCK EXCHANGE

YESTERDAY'S OFFICIAL QUOTATIONS

There were more enquiries for Banks at \$1,015, Lands at \$24½, China Lights at \$7.90 and Electrics at \$52½ with very few shares offering.

BUYERS

Union Insurances, \$372½.
Electric, \$52½.
Cements, \$3.
H.K. Ropes, \$1.55.
Watsons, \$2.90.

SELLERS

Raubs, \$7.
Hong Kong Banks, \$1,015.
Antamoks, 76 cts.
H.K. Lands, \$24½.
China Lights, \$7.90-83.
Telephones (Old), \$17.80-17½.

SHIPPING INCREASES

London, Oct. 2.

The net tonnage of vessels which arrived at ports in the United Kingdom during August, with cargo for discharge at the port of arrival, was 4.2 per cent. greater than in the same month last year, while the net tonnage of vessels that departed from ports at which they had loaded cargo was 1.9 per cent. greater.

British Wireless.

LONDON EXCHANGE RATES

(BRITISH WIRELESS SERVICE)

	October 1	October 2
Paris	74 31/64	74 29/64
Geneva	15.08	15.08
Berlin	12.18	12.19
Athens	550 S.	
Milan	60½	60½
Shanghai	4.90½	4.90 9/16
New York	7.25	7.25
Amsterdam		
Vienna	118 7/16	118½
Prague	624 S.	623 S.
Bucharest	35 15/16	35 59/64
Madrid		
Lisbon		
Hong Kong	2/- 1	2/- 1
Brussels	29.05	29.02½
Montevideo		39 13/16
Belgrade		214
Montreal	4.90½	4.90½
Yokohama		1/2 1/16
Helsingfors		
Rio		
Buenos Aires	29½	29½
Silver (Spot)	29½	29 7/16
Silver (forward)	31½ 103½	31½ 102½
War Loan		

Closing Quotations

October 3, 1935.

On London:—	On New York:—
Telegraphic Transfer... 2½	Bank Bills, on demand 4½
Bank Bills, on demand... 2½	Credits, 60 days' sight 5½
Bank Bills, 14 months' sight... 2½	ON BATAVIA:—
Credits, four months' sight... 2½	On demand... 73½
ON SHANGHAI:—	ON PARIS:—
On demand... 30½	Bank Bills, on demand 74½
ON SINGAPORE:—	Credits, 4 months' sight 78½
On demand... 8	ON SAIGON:—
ON JAPAN:—	On demand... 74½
On demand... 17½	ON MANILA:—
ON INDIA:—	On demand... 8½
Telegraphic Transfer... 1½	ON BANGKOK:—
Bank, on demand... 1½	On demand... 8½
	SOVEREIGNS, Bank Buying Rate
	BAR SILVER, per oz. 7½

BERLIN SHARE MARKET

(Special to the "Hong Kong Daily Press" (Copyright).)

Berlin, Oct. 2.

Almost all sections of the share-market showed numerous sharp price declines as more stock was offered than the market could absorb, the realisations being chiefly prompted by the extremely critical situation in Abyssinia and the general tension of the world political situation.

Even the reports of the exceedingly favourable fiscal situation and satisfactory turnover of the textile retail trade had no appreciable effect.

Fixed Interest Securities were quiet but prices were firmer than those of the sharemarket, city loans being buoyant.

Call Money was at 3.—

Transocean Kuo Min.

REICHSMARK QUOTATIONS

(Special to the "Hong Kong Daily Press" (Copyright).)

Berlin, Oct. 2.

Reichsmark quotations (without guarantee):	
New York	40.28
Paris	610.5
Amsterdam	59.425
London	12.19
Paris Sterling	74.38
Dollar	15.175

Transocean Kuo Min.

ITALY'S RISING DEBT

(Special Air Mail Service)

London, Sept. 16.

As indicated by the recent raising of the Italian Bank Rate credit conditions in Italy are becoming tighter.

Very little credit is obtainable outside her own borders, and her increasing expenditure abroad has to be defrayed out of her gold resources. These now amount to £280,000,000 as compared with £100,000,000 at this time last year, and the gold cover for the note circulation is now 37.24 per cent. against 47.73 per cent.

Other expenditure has to be financed by internal borrowing. The Budget Account for the month of July 1935 records a deficit of 500,543,958 lire as compared with a deficit of 134,775,000 lire for the same month last year. The floating debt has been increased by 571 million lire, and the total internal debt is 952 million lire higher at 106,302 million lire (about £1,770,000,000).

July is the first month of Italy's financial year, which has certainly not started under very favourable auspices. In the present unsettled state of the world's money markets a foreign credit would be difficult to arrange because of commercial caution. Hence, in view of increasing military expenditure, Italy's financial problem is undoubtedly becoming a serious one.

OPIUM SUPPRESSION IN CHINA

(Special to the "Hong Kong Daily Press" (Copyright).)

Chengtu, Sept. 23.

While appreciation of the determined efforts of the Chinese Government to deal with the illicit traffic in drug is expressed in the report of the Fifth Committee of the League of Nations, General Military Affairs Commission, has reiterated a previous order to the various provinces and municipalities to-day, to the effect that registration of opium smokers in their respective territories be completed before the end of this year. A translation of the order follows:

"The programme of opium suppression calls for the complete extirpation of the opium evil from the country by the 29th year of the Republic, when no opium poppy must be found in the fields and no opium-smoking allowed."

"In order to fulfil this programme, therefore, I, as President of the Military Affairs Commission, have in recent years formulated various regulations. The results of the prohibition are already discernible, and have evoked unanimous commendation by the world at large."

TOTAL SUPPRESSION

"This year, by order of the Central authorities, I have been appointed concurrently Inspector-General of Opium-Suppression. It is my object to see that the programme for the total suppression of opium within a definite time-limit be fully carried into effect. Efforts should, therefore, be redoubled simultaneously for the prohibition of opium cultivation and consumption."

"The registration of opium addicts is an important step towards the suppression of opium-smoking, and has been recently ordered by the Provisional Headquarters of the President of the Military Affairs Commission. This order is hereby specially reiterated."

"All provinces and municipalities throughout the country are required to complete the registration of addicts by the end of the 24th year, and submit reports thereon to the Provisional Headquarters of the President of the Military Affairs Commission before the end of January of the 25th year, for examination and approval."

"Negligence will not be tolerated. The ranking officials concerned will be held responsible for violation of this order."

China United Press.

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The luxury of travel on President Liners extends beyond large outside cabins, charming public rooms and roomy decks... Menus are made up from the best of the good things that all the President Liners widespread ports of call provide, and you'll find infinite variety to make each meal en route a real event. Ask to be shown some menus picked out at random!

To SAN FRANCISCO 18 Days

via Shanghai, Kobe, Yokohama, Honolulu

Fortnightly sailings

Pres. Coolidge... Oct. 5, 6 a.m.
Pres. Taft... Oct. 23, 6 a.m.
Pres. Hoover... Nov. 2, 6 a.m.
Pres. Pierce... Nov. 20, 6 a.m.
Pres. Coolidge... Nov. 30, Noon

To VICTORIA, SEATTLE 17 Days

via Shanghai, Kobe, Yokohama

Fortnightly sailing

Pres. Jackson... Oct. 11, 11 p.m.
Pres. McKinley... Oct. 28, 1 a.m.
Pres. Grant... Nov. 13, 1 a.m.
Pres. Jefferson... Nov. 23, 11 p.m.
Pres. Jackson... Dec. 6, 11 p.m.

EUROPE, NEW YORK

Inquire for round-trip tickets to Europe in connection with Lloyd Triestino.

Via Manila, Singapore, Penang, Colombo, Bombay, Suez Canal, Alexandria, Naples, Genoa, Marseilles.

Pres. Van Buren... Oct. 12, 9 a.m.
Pres. Garfield... Oct. 26, 9 a.m.
Pres. Polk... Nov. 9, 8 a.m.
Pres. Adams... Nov. 23, 8 a.m.
Pres. Harrison... Dec. 7, 8 a.m.

MANILA

THE MOST FREQUENT SERVICE

Next Sailings

Pres. Jackson... Oct. 5, 6 p.m.
Pres. Van Buren... Oct. 12, 6 a.m.
Pres. Taft... Oct. 15, 6 p.m.
Pres. McKinley... Oct. 19, 6 p.m.
Pres. Hoover... Oct. 24, 6 p.m.

DOLLAR STEAMSHIP LINES AMERICAN MAIL LINE

FEDER BUILDING—HONG KONG.

CANTON BRANCH—4, SHAMEN ROAD.

VESSELS DUE

Aenes, B. & S., November 12.

African Maru, O.S.K., October 4.

Agapenor, B. & S., November 4.

Andre Leben, Messageries, October 8.

Annam, E.A. Co., October 8.

Bangalore, P. & O., October 30.

Bama, Thoresen's, October 28.

Bremerhaven, Melchers, October 18.

Brisbane Maru, O.S.K., October 6.

Burdwan, P. & O., October 11.

Burgeland, Jensen's, October 24.

Ceylon, Gilman's, October 22.

Changte, B. & S., October 11.

City of Bristol, Bank Line, Oct. 11.

City of Wellington, Bank Line, Oct. 23.

Corfu, P. & O., October 31.

Dakar Maru, N.Y.K., October 10.

Comerville, Bank Line, October 20.

Dopau, Melchers, October 31.

Emp. of Asia, C. P. S., November 7.

Emp. of Japan, C.P.S., October 25.

Emp. of Russia, C.P.S., October 9.

Ermland, Jensen's, October 22.

Fernwood, Jensen's, October 11.

General Lee, States & Co., October 11.

General Pershing, States Co., Nov. 1.

Haining, Douglas, October 7.

Haiyang, Douglas, October 10.

Hakone Maru, N.Y.K., October 11.

Hakozaki Maru, N.Y.K., October 11.

Havel, Melchers, October 17.

Hector, B. & S., October 12.

Irishbank, Bank Line, October 23.

Jays, E.A. Co., October 8.

Jeff Davis, States Co., October 16.

Lippe, Melchers, October 14.

Lima Maru, N.Y.K., October 6.

Malaya, E.A. Co., October 30.

CANADIAN PACIFIC ANNOUNCES

World's Greatest Travel System

Sailings for 1936

	Hong Kong	Shanghai	Nagasaki	Kobe	Yokohama	Honolulu	Vancouver
	Leave	Leave	Leave	Leave	Leave	Leave	Arrive
E/Japan	Jan. 14	Jan. 16		Jan. 10	Jan. 31	Jan. 37	Feb. 1
E/Asia	Jan. 29	Jan. 31	Feb. 2	Feb. 4	Feb. 6		Feb. 15
E/Canada	Feb. 11	Feb. 13		Feb. 18	Feb. 18	Feb. 25	Mar. 1
E/Russia	Feb. 26	Feb. 28	Mar. 1	Mar. 3	Mar. 5		Mar. 14
E/Japan	Mar. 6	Mar. 8		Mar. 11	Mar. 13	Mar. 19	Mar. 24
E/Asia	Mar. 20	Mar. 22	Mar. 24	Mar. 26	Mar. 28		April 6
E/Canada	April 3	April 5		April 8	April 11	April 17	April 23
E/Russia	April 17	April 19	April 21	April 23	April 25		May 4
E/Japan	May 1	May 3		May 6	May 8	May 14	May 19
E/Asia	May 15	May 17	May 19	May 21	May 23		June 1
E/Canada	May 29	May 31		June 3	June 5	June 12	June 17
E/Russia	June 12	June 14	June 16	June 18	June 20		June 29
E/Japan	June 26	June 28		July 1	July 3	July 9	July 14
E/Asia	July 10	July 12	July 14	July 16	July 18		July 27
E/Canada	July 24	July 26		July 29	July 31	Aug. 7	Aug. 12

Next Sailing to VANCOUVER

via SHANGHAI, JAPAN & HONOLULU

EMPRESS OF RUSSIA

At 6 A.M.

FRIDAY, OCTOBER 18th.

Sailings to MANILA

EMPRESS OF RUSSIA ... Oct. 10th.

EMPRESS OF JAPAN ... Oct. 25th.

Full information from your own Agent or

CANADIAN PACIFIC

Telephone: Passenger 20752. GACANPAC: Passenger Dept.
Freight 30042. NAUTILUS: Freight Dept.
Canton Agents: JARDINE, MATHESON & CO. LTD.GENERAL PASSENGER AGENTS IN THE ORIENT FOR
CUNARD WHITE STAR LINE.

SAN FRANCISCO via Shanghai, Japan Ports and Honolulu.

TATSUTA MARU ... Wednesday, 18th Oct.

ASAMA MARU ... Wednesday, 20th Oct.

TAITO MARU ... Wednesday, 13th Nov.

SEATTLE & VANCOUVER.

HIKAWA MARU (Starts from Kobe) Saturday, 19th Oct.

HIYE MARU (Starts from Kobe) Saturday, 9th Nov.

LONDON, MARSEILLES, ANTWERP, ROTTERDAM

HAKONE MARU ... Saturday, 12th Oct.

SUWA MARU ... Saturday, 26th Oct.

FUSHIMI MARU ... Saturday, 9th Nov.

SYDNEY & MELBOURNE via Manila and Port.

KAMO MARU ... Saturday, 28th Oct.

KITANO MARU ... Saturday, 23rd Nov.

BOMBAY via Singapore, Penang and Colombo.

TANGO MARU ... Friday, 11th Oct.

MAYEASHI MARU ... Monday, 28th Oct.

SOUTH AMERICA (West Coast) via Japan, Honolulu, Los

Angeles, Mexico and Panama.

BOKUYO MARU ... Saturday, 9th Nov.

NEW YORK via Panama.

NAGARA MARU ... Friday, 4th Oct.

KATSUBAGI MARU ... Thursday, 17th Oct.

LIVERPOOL via Port Said, Beyrouth, Istanbul, Piræus.

Genoa and Valencia.

LIMA MARU ... Monday, 7th Oct.

CALCUTTA via Singapore, Penang and Rangoon.

TOBA MARU ... Tuesday, 8th Oct.

BENGAL MARU ... Tuesday, 15th Oct.

TOKUSHIMA MARU ... Tuesday, 29th Oct.

SHANGHAI, KOBE & YOKOHAMA.

HAKOZAKI MARU ... Friday, 11th Oct.

KITANO MARU (Nagasaki direct) ... Friday, 18th Oct.

TERUKUNI MARU ... Tuesday, 22nd Oct.

† Cargo only.

Tel. 30291



FRENCH MAIL STEAMERS

Sailings from Hong Kong:

To SHANGHAI — KOBE.

To MANILA via Saigon, Singapore, Colombo, Djibouti (Aden), Suez, Port-Said.

MARCHEL JOFFRE ... 6th Oct.

SPHINX ... 10th Oct.

CHENONOUAUX ... 2nd Nov.

DARTAGNAN ... 16th Nov.

ATHOS II ... 30th Nov.

PRESIDENT DOUMER ... 13th Dec.

ANDRE LEBON ... 8th Oct.

MARCHEL JOFFRE ... 22nd Oct.

SPHINX ... 10th Nov.

CHENONOUAUX ... 18th Oct.

DARTAGNAN ... 3rd Dec.

ATHOS II ... 17th Dec.

We can issue Through Tickets to Egypt, Syrian Ports, East Africa, Madagascar by Transshipment on our Mail Steamers at Port Said or Djibouti.

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Telephone 30321. 3, Queen's Building, 13

Shipping News

Daily Statement. Clearances.
Ships in Harbour, etc.

YESTERDAY'S FREIGHT RETURNS

IMPORTS 14,000 TONS;
THROUGH CARGO
8,900 TONS

The returns, shown at the Harbour Office of vessels carrying cargo to the Colony during the 24 hours ended at 9 a.m. yesterday were:—

	Cargo for Through	H. K. Ports
British	—	—
Szechuen.	Amoy 20	55
Sui Sang.	Singapore 680	1,389
Felsander.	Singapore 1,183	1,913
Cathay.	Singapore 1,000	887
Emp. of Canada.	Manila 10	180
Nanchang.	Amoy 275	1,300
Tai Yuan.	Canton —	800
Yat Shing.	Canton —	108
Hydrangea.	Swatow 150	—
	—	3,298 — 6,630

American
Golden Dragon.
Mojito 347 1,915Danish
Clara Jebson.
Canton — — — 347 — 4,915Portuguese
Wing Wo.
K. C. Wan 270 — — — 270 — —Japanese
Ronsan Maru.
Tsingtau 3,840 — — — — —Nagara Maru.
Yokohama — — — 130 — —Tamazono Maru.
Sea Fishing 20 — — — — —Rokko Maru.
Sea Fishing 20 — — — — —Yuki Maru.
Sakito 5,230 — — — 9,910 — 130Chinese
Hal Ah.
Amoy — — — — —Stanley.
Swabue 52 — — — — —Hal Heng.
Canton 180 — — — 212 — 300

Total ... 14,037 8,975

ASIATIC DECK PASSENGERS

The following vessels brought Asiatic deck passengers to the Colony during the 24 hours ended at 9 a.m. yesterday:—

Szechuen (Br.), Amoy ... 36

Sui Sang (Br.), Singapore ... 80

Cathay (Br.), Singapore ... 11

Tai Yuan (Br.), Canton ... 32

Hydrangea (Br.), Swatow ... 127

Stanley (Ch.), Swabue ... 205

Hal Heng (Ch.), Canton ... 348

Total ... 839

ARRIVALS

3RD OCTOBER.

Kwangtung, British steamer, 1,568 tons, Captain D. D. Richards, from Canton, buoy No. B14—B. & S.

Hal Chen, Chinese steamer, 2,060 tons, Cap. Y. Hughes, from Canton, S. N. Wharf.—C. M. S. N. & Co.

Sunning, British steamer, 1,570 tons, Captain R. Umpleby, from Shanghai via Swatow, buoy No. B20—B. & S.

Conte Verde, Italian steamer, 11,527 tons, Captain G. Mircon, from Singapore, Kowloon Wharf.—Lloyd Triestino.

Hothow, British steamer, 1,629 tons, Captain Thomas, from Swatow, buoy No. B1—Butterfield and Swire.

Canton, Swedish steamer, 3,432 tons, Captain S. Hollberg, from Shanghai, buoy No. A2.—Gilmann & Co.

Hal Heng, Chinese steamer, 2,065 tons, Captain C. M. Ma, from Canton, C. M. S. N. Wharf.—C. M. S. N. & Co.

Clara Jebson, Danish steamer, 1,145 tons, Captain Nielsen, from Canton, buoy No. B5.—Jebson & Co.

Ronsan Maru, Japanese steamer, 1,556 tons, Captain Hama, from Yinkow via Tsingtau, Yaumati.—D. K. K.

Nagara Maru, Japanese steamer, 4,246 tons, Captain Nakamura, from Yokohama, Kowloon Wharf.—N. Y. K.

Hydrangea, British steamer, 561 tons, Captain P. W. Orlerson, from Swatow, Chiu On Wharf.—Chiu On & Co.

2ND OCTOBER.

Szechuen, British steamer, 1,594 tons, Captain W. T. Paul, from Shanghai via Amoy, buoy No. B14—B. & S.

Sui Sang, British steamer, 1,983 tons, Captain Laurence, from Calcutta via Singapore, Kowloon Wharf.—J. M. & Co.

Brelviken, Norwegian steamer, 1,599 tons, Captain N. V. Norval, from Calcutta, buoy No. B26.—Gibb Livingston & Co.

CLEARANCES

3RD OCTOBER.

Hydrangea, for Swatow

Golden Dragon, for Saigon

Felsander, for Hankow

Van Heutsz, for Singapore

Tjibadak, for Amoy

Mulinam, for Hothow

Santhia, for Amoy

Fukukun, for Swatow

Tchekam, for Hothow

Cathay, for Shanghai

Yayoi Maru, for Hongay

Hal Heng, for Canton

Brelviken, for Canton

Hal Chen, for Swatow

Szechuen, for Canton

Canton, for Manila

Sunning, for Canton

Conte Verde, for Shanghai

Hothow, for Canton

Nordland, for Sabang

Lyeemoo, for Saigon

Teau, for Whampoa

SHIPS IN HARBOUR

WHARVES

Kowloon.—Empress of Canada, Sui Sang, Nagara Maru, Nordland, Nonkin and Conte Verde.

Holt's.—Menelaus and Felsander.

A. P. C.—North Point.—Katie Moller.

China Merchants.—Hal Heng, Douglas Laprak.—Haitan, Salkong.—Wing Wo, Chiu On.—Hydrangea.

DOCKS

Kowloon.—Havdrot, Talkoo.—H.M.S. Orpheus, Kalgan, Hol Fou and Belhor.

BUOYS

No. A1.—Tjibadak.
No. A8.—Tantulus.
No. A9.—Van Heutsz.
No. B3.—Teau.
No. B4.—Szechuen.
No. B5.—Clara Jebson.
No. B9.—Fukukun Maru.
No. B14.—Kwangtung.
No. B15.—Mulinam.
No. B16.—Lyeemoo.
No. B17.—Hermood.
No. B21.—King Yuan.
No. B22.—Hin Sang.
No. B25.—Yuki Maru.
No. B28.—Brelviken.

ARRIVALS AND DEPARTURES

The arrivals and departures during the period under review were:—

	Arr.	Dep.
British	9	8
American	1	2
Danish	1	0
Norwegian	0	1
Portuguese	1	0
Japanese	5	3
Chinese	3	3
Total	20	17

SHIPS IN WIRELESS COMMUNICATION

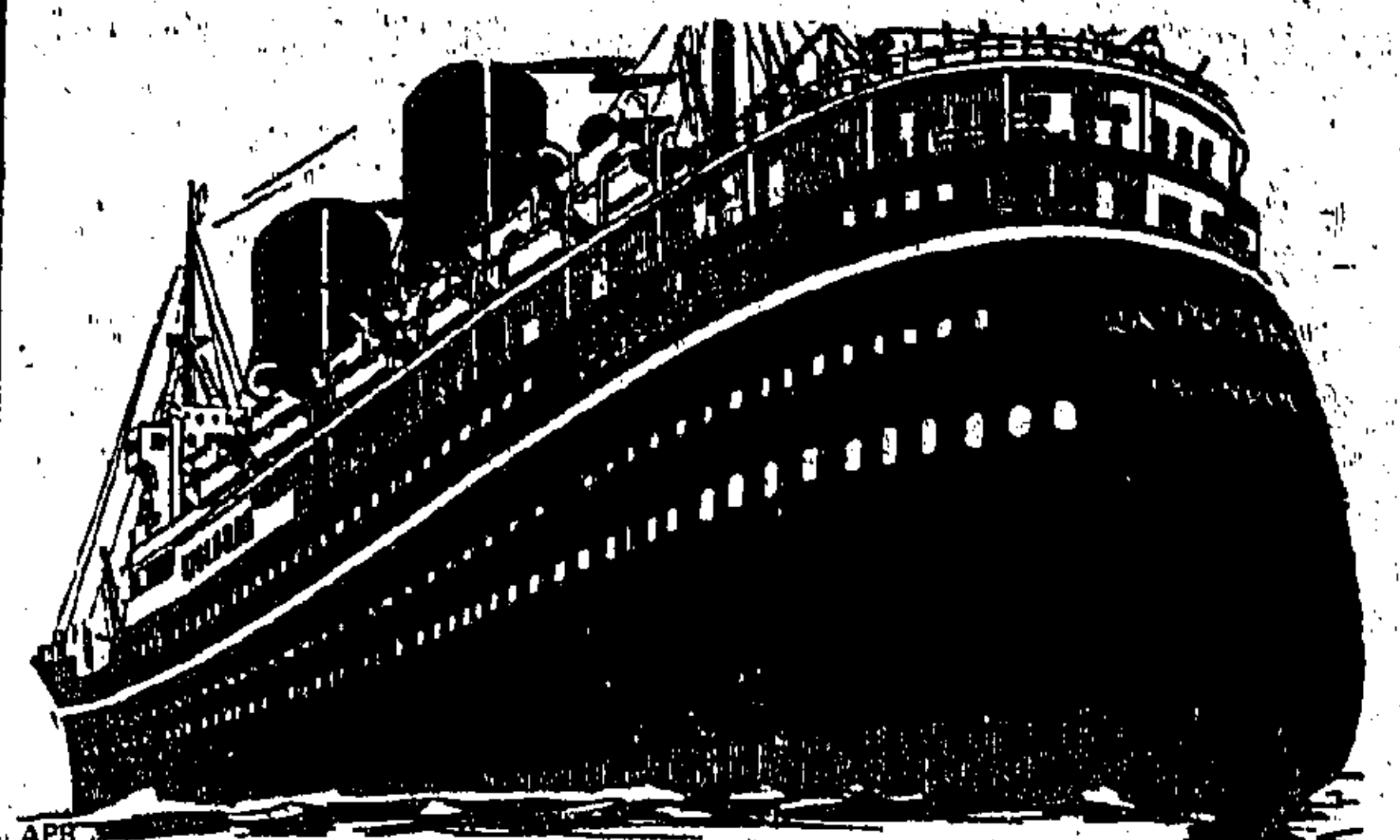
The following ships are expected to be in wireless communication with Hong Kong radio:—

Canton, President Jackson, Nagara Maru, Houtman, Africa Maru, Tatsuta Maru, President McKinley, President Coolidge, President Monroe, Fushimi Maru, Friderun, Anking, Hong Kheing, Yunnan, Santhia, Hague Maru, Rajputana, G.G. Paul Doumer and Helikon.

"People Who Matter"

PEOPLE WHO MATTER, to the advertiser are the people who can afford to buy his goods. Most of these people buy and read the

Hong Kong Daily Press.



P. & O. BRITISH INDIA-APCAR AND EASTERN & AUSTRALIAN LINES

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PENINSULAR & ORIENTAL FORTNIGHTLY DIRECT ROYAL MAIL STEAMERS

under contract with H.M. Government

Steamship	Tons	From Hongkong (About)	Destination
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PENINSULAR & ORIENTAL SAILINGS

RAJPUTANA	17,000	5th Oct.	Bombay, Marseilles & London
MIRZAPUR	7,000	10th Oct.	Bombay, Marseilles & London
BURDWAN	6,000	12th Oct.	Bombay, Marseilles, Havre, London, Hamburg, Rotterdam, Antwerp & Hull.
CHITRAL	15,000	19th Oct.	Bombay, Marseilles & London.
OATHAY	15,000	2nd Nov.	Bombay, Marseilles & London.
BOMALI	7,000	9th Nov.	Marseilles, Havre, London, Hamburg, Rotterdam, Antwerp & Hull.
RAWALPINDI	17,000	16th Nov.	Bombay, Marseilles & London.
COERU	14,500	30th Nov.	Bombay, Marseilles & London.
BANGALORE	8,000	7th Dec.	Marseilles, Havre, London, Hamburg, Rotterdam, Antwerp & Hull.
RANCHI	17,000	14th Dec.	Bombay, Marseilles & London.
NALDERA	16,000	28th Dec.	do

* Cargo only. † Calls Casablanca. ‡ Calls Port Sudan.

Frequent connection from Port Said for Passengers and Cargo to Constantinople, Trebizond, Smyrna, and other Levant Ports by steamers of the Khedivial Mail Steamship Co.

BRITISH INDIA-APCAR SAILINGS

TILAWA	10,000	11th Oct.	Singapore, Penang, Rangoon & Calcutta
SANTHIA	10,000	25th Oct.	
TALMA	10,000	8th Nov.	
SIRDHANA	8,000	22nd Nov.	
TAKADA	7,000	6th Dec.	

* Calls Port Swettenham.

Now is the time to visit Australia & New Zealand

lands of Sunshine and Romance. "Down Under" you will feel a new being and even if you are not inclined towards Surfing, Fishing, Shooting or Mountaineering you will find that the Antipodes have plenty to offer you—including 25° for your pound.

On the way down your life aboard will be as you wish, quiet or hectic for the K. & A. will humour your every whim.

And by the way, there is no additional charge for Deck Cabins and there is of course a Sun Deck Swimming pool, an Orchestra and a fine Laundry.

A Surgeon and Stewardess are at your disposal and last but not least—we had almost forgotten—the cuisine will set you listening eagerly for the Gong.

Regular monthly sailings from Hong Kong to Shanghai and Japan and Hong Kong to Australia.

Hong Kong to Sydney—19 days.
Frequent connections from Australia with the following:—
The Union S.S. Co.'s Steamers to the United Kingdom via New Zealand, Vancouver, San Francisco, etc.The P. & O. Royal Mail Steamers to London and
The P. & O. Branch Service of Steamers to London via Suez.
The N. Zealand Shipping Co.'s Steamers for Southampton and London via Panama Canal.

EASTERN & AUSTRALIAN SAILINGS

NANKIN	7,000	4th Oct.	Manila, Rabaal, Brisbane, Sydney, Melbourne & Hobart
NELLORE	7,000	2nd Nov.	
TANDA	7,000	30th Nov.	

SAILINGS TO SHANGHAI & JAPAN

NELLORE	7,000	6th Oct.	Shanghai, Kobe & Yokohama
TALMA	10,000	17th Oct.	
RAWALPINDI	17,000	18th Oct.	
BANGALORE	8,000	31st Oct.	
SIRDHANA	8,000	21st Oct.	Amoy, Shanghai & Japan
COERU	14,500	1st Nov.	

* Cargo only.

ALL DATES are approximate and subject to alteration without notice.
For further information, Passage, Freight, Handbooks, etc., apply to the Agents:—

MACKINNON, MACKENZIE & CO

P. & O. BUILDING, CONNAUGHT ROAD CENTRAL, HONGKONG

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UNITED KINGDOM & CONTINENT

S.S. "CITY OF BRISTOL" ... Havre, London, Rotterdam & Hamburg. ... 12th Oct.

